

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 100330-WS

APPLICATION FOR INCREASE IN WATER/  
WASTEWATER RATES IN ALACHUA,  
BREVARD, DESOTO, HARDEE, HIGHLANDS,  
LAKE, LEE, MARION, ORANGE, PALM  
BEACH, PASCO, POLK, PUTNAM, SEMINOLE,  
SUMTER, VOLUSIA, AND WASHINGTON  
COUNTIES BY AQUA UTILITIES  
FLORIDA, INC.

VOLUME 2

Pages 186 through 400

PROCEEDINGS:	HEARING
COMMISSIONERS PARTICIPATING:	CHAIRMAN ART GRAHAM COMMISSIONER LISA POLAK EDGAR COMMISSIONER RONALD A. BRISÉ COMMISSIONER EDUARDO E. BALBIS COMMISSIONER JULIE I. BROWN
DATE:	Tuesday, November 29, 2011
TIME:	Commenced at 2:18 p.m. Concluded at 6:45 p.m.
PLACE:	Betty Easley Conference Center Room 148 4075 Esplanade Way Tallahassee, Florida
REPORTED BY:	JANE FAUROT, RPR FPSC Reporter (850) 413-6732
APPEARANCES:	(As heretofore noted.)

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## P R O C E E D I N G S

1  
2 (Transcript follows in sequence from  
3 Volume 1.)

4 **CHAIRMAN GRAHAM:** Mr. May, redirect.

5 **MR. MAY:** Is everybody ready?

6 **CHAIRMAN GRAHAM:** Yep.

7 **MR. MAY:** Thank you, Mr. Chairman. Just a  
8 couple of questions on redirect.

## R E D I R E C T E X A M I N A T I O N

9  
10 **BY MR. MAY:**

11 Q. Mr. Szczygiel, Commissioner Brown asked you  
12 several questions regarding the drop in consumption for  
13 Aqua Utilities Florida. Do you recall that line of  
14 questioning?

15 A. Yes, I do.

16 Q. Have you studied the drop in consumption in  
17 Florida?

18 A. I have studied the drop in consumption in  
19 Florida.

20 Q. Based upon your own opinion, what are the  
21 causes for that drop in consumption?

22 A. As I stated earlier, and I will reemphasize  
23 perhaps the second point. The first item I mentioned  
24 was the sinking of irrigation wells and its affect on  
25 just our overall consumption. That was in Scottish

1 Highlands.

2           The second point I mentioned was what I will  
3 call the blocking structure, the structure where as you  
4 use more consumption your rate per kilogal increases  
5 significantly. In the last case, the blocking  
6 consumption went from a factor of 1 for the first block,  
7 to 1.5 for the second block, to 3 in the next block. In  
8 this case, and I believe in other cases, the more  
9 traditional approach is to go 1, 1.25, and then 2. And  
10 that had an effect of dropping a lot of consumption out  
11 of the higher block activity.

12           Finally, the third point that I'd like to  
13 introduce that I didn't before was that the rates that  
14 we installed with the first rate increase that most  
15 customers in that filing had had a rate increase in the  
16 past 15 years, some maybe even longer. So you were  
17 dealing with multiple factors coming to the table to  
18 create perhaps this large drop in consumption.

19           Q. Thank you, Mr. Szczygiel.

20           I want to refer you back to a line of  
21 questioning that Commissioner Balbis presented to you.  
22 And I'm going to paraphrase this, and excuse me,  
23 Commissioner, I think I'm going to refer to my notes. I  
24 may have missed exactly the question, but the gist of  
25 the question from my perspective was that Commissioner

1 Balbis asked how you could be assured that AAI employees  
2 were efficient. Do you recall that question?

3 A. Yes, I do.

4 Q. Do AAI employees only work a 40-hour week?

5 A. Absolutely not. We work -- and I'm not going  
6 to make it sound like a slave shop, but the majority of  
7 the professional staff, which is the majority of the  
8 service company employees, works a significantly greater  
9 amount than 40 hours. To put a number -- or 40 hours,  
10 I'm sorry. To put a number on it, I can't be exact, but  
11 it is not uncommon for both our professional staff in  
12 the corporate office as well as in our state  
13 subsidiaries to work maybe a 50 to 60-hour work week.

14 Q. Under your allocation methodology, how would  
15 AAI allocate those employees' time to AUF or other  
16 operating subsidiaries?

17 A. I don't know if I mentioned this, but I think  
18 I did. We only allocate out the worked hour. So,  
19 again, you would say, well, there is a lot of worked  
20 hours. However, we limit the charging only to 40 worked  
21 hours a week. So if I was on vacation this week and  
22 took eight hours off, I would be limited to 32 charged  
23 hours at my billing rate versus perhaps the 48 or 50  
24 hours that I physically worked. We did not consider any  
25 of that we call it free time that is given to the

1 ratepayers in our market study. Our market study simply  
2 looked at an individual's billing rate, and what is the  
3 cap on worked hours, which was approximately 1,835  
4 worked hours per employee.

5 **MR. MAY:** Thank you, Mr. Szczygiel.

6 And I apologize, I don't have the exhibit  
7 number, but it's the -- I would like you to refer to  
8 the, what I call the May 29, 2009, order. It's the  
9 order that Ms. Bennett questioned you on regarding --

10 **CHAIRMAN GRAHAM:** We actually didn't give that  
11 an exhibit number.

12 **MR. MAY:** That's fine, but it's an order of  
13 the Commission.

14 **THE WITNESS:** The order itself, correct.

15 **BY MR. MAY:**

16 Q. Can you turn to Page 26. I think that was the  
17 area of the order that Ms. Bennett questioned you on?

18 A. I'm at Page 26 for meter replacements.

19 Q. Yes.

20 A. Yes.

21 Q. Under the Paragraph Number 1, can you read for  
22 the record the last sentence in that paragraph starting  
23 with based on?

24 A. Based on this analysis, \$2,212,206 shall be  
25 removed for undocumented pro forma meters. All

1 adjustments for pro forma meter replacements are  
2 reflected in Schedule 3C of each system.

3 Q. Thank you, sir. Now, subsequent to that rate  
4 case, have all those meters now been installed?

5 A. Actually, prior to the competition of this  
6 rate case the physical installation of all the meters,  
7 except the large meters, have been installed. And we  
8 subsequently went back and installed all the large  
9 meters to complete the project 100 percent. What gave  
10 rise to this \$2.2 million exclusion, as I may have  
11 mentioned earlier, was simply our documentation at the  
12 last minute as we pulled it together, it didn't support  
13 as clear as it should have the rate case for pro forma  
14 additions. Subsequent to that, we have completed all of  
15 that documentation.

16 Q. So, Mr. Szczygiel, are all the RF meters  
17 installed in Florida properly documented at this time?

18 A. Yes, they are.

19 Q. And has that documentation been audited by the  
20 Florida Public Service Commission staff?

21 A. That was audited in the field audit that was  
22 conducted by the public staff's audit team at our Lady  
23 Lake office.

24 Q. Can you turn to Page 18 of the order?

25 A. I'm there.



1 Q. At the bottom of the paragraph there is a  
2 heading starting with the Number 3.Billing, do you see  
3 that?

4 A. Yes, I do.

5 Q. Could you read the first paragraph under that  
6 heading, please?

7 A. Sure. The utility implemented a new billing  
8 system at the end of 2006. To improve the billing  
9 process, AUF is replacing all manually read meters with  
10 remote telemetry meters. Fewer estimated bills and more  
11 accurate readings are expected. As of September 2008,  
12 14,597 meters have been changed out with the remaining  
13 2,213 remaining meters being budgeted for replacement.

14 Q. Thank you, sir. The 2,413 remaining meters  
15 that you just read about, have they now been installed?

16 A. Yes, they have.

17 Q. And are they now properly documented?

18 A. All meters are properly documented, yes, they  
19 are.

20 Q. And they have been audited?

21 A. And they have been audited.

22 Q. Has there been any efficiencies achieved or  
23 realized as a result of the installation of these RF  
24 meters?

25 A. Yes, there were. In efficiencies that I can

1 definitely isolate and pinpoint, there were six  
2 full-time employees that were Aqua employees that we  
3 were able to reduce our workforce by as a result of  
4 this. In addition to that, several of the systems, the  
5 meters were being read by contractors, and all of the  
6 cost relative to contractor meter reading has been  
7 eliminated. All meter reading is done by internal  
8 employees with a workforce of six less than it was  
9 before.

10 Q. Thank you, sir. One final line of  
11 questioning. I want to go back to the questions by  
12 Ms. Bennett, and she was questioning you  
13 regarding -- excuse me, I think it was questions by  
14 Ms. Christensen, I apologize, and it was regarding  
15 Exhibit Number 277, Hearing Exhibit 277. It's the fat  
16 one.

17 A. I don't think I was numbering exhibits at that  
18 point.

19 Q. Okay. The title of this is Volume 1, Appendix  
20 1.

21 A. Okay. Yes, sir, I have it in front of me.

22 Q. And do you recall Ms. Christensen asking you a  
23 series of questions that addressed tying some of the  
24 allocated charges back to the MFRs in Appendix Number 1?

25 A. Yes.

1 Q. Were you asked similar questions by  
2 Ms. Christensen at your deposition?

3 A. I was.

4 Q. Do you have your deposition with you?

5 A. Yes, sir, I do.

6 Q. Can you turn to Page 102 of your deposition?

7 A. Yes, sir.

8 Q. Do you recall the dialogue between Ms.  
9 Christensen and I regarding some of her questioning may  
10 be leaking into your rebuttal?

11 A. Yes.

12 Q. Ms. Christensen asked you a question at your  
13 deposition, did she not, regarding reconciling the  
14 allocated charges back to the MFRs and particularly  
15 Appendix Number 1, correct?

16 A. Yes, Appendix Number 1 needs -- it's not  
17 readily reconcilable.

18 Q. Were you asked to provide as a late-filed  
19 exhibit to your deposition a reconciliation of the  
20 allocated charges back to the MFRs?

21 A. Yes, we were. Specifically, what we had  
22 prepared in the rebuttal testimony was an exhibit called  
23 SS-4, I believe, that demonstrated that the affiliate  
24 charges as well as the in-state charges had decreased  
25 per book rate case -- from a previous rate case to this

1 rate case, so there had been a demonstrated decrease.  
2 When you went to this Volume 1, you couldn't see it  
3 clearly because this Volume 1 lists every single system  
4 in Florida, both systems in the rate case and systems  
5 that weren't in the rate case. So I was asked  
6 appropriately can you just prove to us that the schedule  
7 that shows the decrease in affiliate costs, as well as  
8 in-state costs declining reconciles -- I think I was  
9 asked to reconcile it to the B7 Schedule, as well as to  
10 the Volume 1, Appendix 1. We did so. We have it shown  
11 in Late-Filed Exhibit 20 and 21.

12 **MR. MAY:** Mr. Chairman, may we provide that  
13 late-filed exhibit to Mr. Szczygiel and the staff and  
14 the parties and have him explain it?

15 **CHAIRMAN GRAHAM:** Sure.

16 **MR. MAY:** Ms. Rollini will be delivering this.  
17 Mr. Chairman, I believe this would be Exhibit  
18 296 based upon my list.

19 **THE WITNESS:** Thank you.

20 **MS. CHRISTENSEN:** Can I ask, for the sake of  
21 clarification, if I'm understanding correctly, this is a  
22 reconciliation from an exhibit in his Rebuttal Testimony  
23 back to an MFR. And I think it would probably be more  
24 appropriate to talk about it as part of his rebuttal,  
25 because we haven't talked about Exhibit SS-4 yet, which

1 is attached to his rebuttal testimony. I mean, our  
2 questions were specifically limited to the MFRs which  
3 were sponsoring as part of his Direct Testimony, and  
4 this was specifically requested to reconcile a rebuttal  
5 exhibit to the MFRs. And I think it may be just plain  
6 premature to discuss this exhibit at this time, since  
7 SS-4 hasn't been introduced into the record.

8 **CHAIRMAN GRAHAM:** I will allow it. I know we  
9 started talking about the MFRs, and as far as I'm  
10 concerned it doesn't matter if we talk about it today or  
11 if we talk about it on Wednesday. It sounds like we are  
12 going to talk about it, so I will let him bring it up.

13 **BY MR. MAY:**

14 Q. Mr. Szczygiel, do you have that -- what has  
15 been designated as Exhibit 296 before you?

16 A. Yes, I do.

17 Q. Can you briefly summarize what this exhibit  
18 does?

19 A. Yes. The top part of the exhibit is the first  
20 requested reconciliation which takes the Exhibit SS-4  
21 from the rebuttal. That shows basically the cost in  
22 this rate case broken down between service and sundry  
23 regional management fees in-state distribution totaled  
24 across and agreeing to the MFR to show what are the  
25 components of the 634 and the 734 accounts. And they

1 reconcile to the penny or within a dollar of rounding  
2 here.

3           The bottom half of the schedule then goes  
4 forward and gets to earlier questions that I was asked,  
5 which is how do you get Volume 1, Appendix 1, to  
6 reconcile to the MFRs or even to SS-4, if you wish to.  
7 And in that case, what I have done here is I have taken  
8 the SS-4, again, by rate band, and took the Volume 1,  
9 Exhibit 1, and simply filtered on the systems that are  
10 in the case, and was able to reconcile the service and  
11 sundry to the penny. The regional management fees,  
12 unfortunately, were off \$400, and I explained what that  
13 reason was. The ACO reconciled to the penny, as well as  
14 the in-state administrative costs. So everything  
15 basically supporting our point of view that affiliate  
16 charges case to case have declined are supported now by  
17 reconciling both to the MFR B7 or B5, if you wish, as  
18 well as to the underlying Volume 1, Appendix 1.

19           **MR. MAY:** Thank you, Mr. Szczygiel.

20           That concludes my redirect, Mr. Chairman.

21           **CHAIRMAN GRAHAM:** Do you have some exhibits  
22 you want to put into the record?

23           **MR. MAY:** The only exhibit we would like to  
24 put in -- well, we don't oppose any of the exhibits that  
25 have come through. The one exhibit we would like to

1 move into the record is Exhibit 296, which Mr. Szczygiel  
2 just described.

3 **CHAIRMAN GRAHAM:** Okay.

4 Ms. Christensen, do you have any exhibits you  
5 want to move into the record?

6 **MS. CHRISTENSEN:** I would move Exhibits 287  
7 through 291. Hold on, my colleague is telling me I have  
8 to go back to 285, or 284, I'm sorry. 284 through 291.

9 **MR. MAY:** Mr. Chairman, I think that I was  
10 referring to redirect exhibits. There are exhibits  
11 attached to Mr. Szczygiel's Direct Testimony. Those are  
12 SS-1, SS-2, and SS-3. We would ask that they be moved  
13 into the record, as well.

14 **MS. BENNETT:** Those would be Exhibits 52  
15 through 54 on the Comprehensive Exhibit List.

16 **CHAIRMAN GRAHAM:** 52, 53, 54.

17 Ms. Bennett.

18 **MS. BENNETT:** Staff would move Exhibits 292  
19 through 295 into the record.

20 **CHAIRMAN GRAHAM:** Let the record show we are  
21 moving Exhibits 52, 53, 54 and 284 through 296, all into  
22 the record.

23 Are there any objections to any of those  
24 exhibits going into the record?

25 (Exhibit Numbers 52, 53, 54 and 284 through

1 296 admitted into the record.)

2 CHAIRMAN GRAHAM: Okay. I believe that we are  
3 currently done with this witness.

4 Sir, thank you.

5 THE WITNESS: Thank you.

6 CHAIRMAN GRAHAM: Commissioner Brown.

7 MS. BROWN: I just have a follow-up question  
8 to his redirect.

9 CHAIRMAN GRAHAM: Sir, one question.

10 THE WITNESS: Sure.

11 COMMISSIONER BROWN: Thank you.

12 Real quickly, and this is just a follow-up to  
13 the redirect by Mr. May. How many meter readers does  
14 AUF currently have?

15 THE WITNESS: I don't know that answer.

16 COMMISSIONER BROWN: Okay.

17 THE WITNESS: But it's very few.

18 COMMISSIONER BROWN: I just want to know in  
19 comparison to the last rate case, how many meters  
20 readers, because you said six were --

21 THE WITNESS: Well, six positions were  
22 eliminated. And, as I said, there were outside  
23 contractors. There was -- the six positions that were  
24 actually eliminated were maintenance type employees, and  
25 we pushed the maintenance work to the facility operators



1 and utility techs who used to assist in the meter  
2 reading function. So it's not like one of those -- I  
3 can just say Joe, he was a meter reader, and he got  
4 eliminated. It was a little bit of a cascading of job  
5 duties and responsibilities to allow us to realize the  
6 efficiencies of the six FTEs as well as the contractors  
7 that were performing meter reading.

8 **COMMISSIONER BROWN:** Would there be another  
9 AUF witness that would be able to accurately answer the  
10 question?

11 **THE WITNESS:** I think I could answer it on  
12 redirect.

13 **MR. MAY:** I think we can have that information  
14 when he comes back for rebuttal.

15 **COMMISSIONER BROWN:** Thank you.

16 **CHAIRMAN GRAHAM:** Hold on a second, sir.

17 Commissioner Balbis.

18 **COMMISSIONER BALBIS:** Thank you, Mr. Chairman.

19 And I think if we have another chance with  
20 this witness on rebuttal, although my question may  
21 pertain to this testimony, hopefully, I will be able to  
22 ask the question at that time.

23 **CHAIRMAN GRAHAM:** Okay. And, sir, there was a  
24 question that OPC had asked you that you were going to  
25 get so you would have that answer for redirect,

1 something about the number of CPAs provided.

2 **THE WITNESS:** The number of CPAs that the  
3 company has?

4 **CHAIRMAN GRAHAM:** Yes, I guess. I just want  
5 to make sure so you have it when you come back.

6 Thank you, sir.

7 **THE WITNESS:** Thank you.

8 **CHAIRMAN GRAHAM:** Mr. May, your next witness.

9 **MR. MAY:** Mr. Chairman, with your permission,  
10 Aqua would call its next witness, Mr. Preston  
11 Luitweiler.

12 **CHAIRMAN GRAHAM:** Sir, welcome.

13 **PRESTON LUITWEILER**

14 was called as a witness on behalf of Aqua Utilities  
15 Florida, and having been duly sworn, testified as  
16 follows:

17 **DIRECT EXAMINATION**

18 **BY MR. MAY:**

19 **Q.** Good afternoon, Mr. Luitweiler.

20 Have you been previously sworn in this  
21 proceeding?

22 **A.** Yes, I have been.

23 **Q.** Would you please state your name and business  
24 address for the record?

25 **A.** Preston Luitweiler. Business address, 762

1 West Lancaster Avenue, Bryn Mawr, Pennsylvania.

2 Q. Did you prepare and have caused to be filed 23  
3 pages of Prefiled Direct Testimony in this case?

4 A. Yes, I did.

5 Q. Do you have that prefiled testimony before you  
6 today?

7 A. Yes, I do.

8 Q. Do you have any revisions to your prefiled  
9 testimony?

10 A. No, I do not.

11 Q. If I were to ask you the questions that are  
12 contained in your Prefiled Direct Testimony today, would  
13 your answers be the same?

14 A. Yes.

15 MR. MAY: Mr. Chairman, we would ask that the  
16 Prefiled Direct Testimony of Mr. Luitweiler be inserted  
17 into the record as though read.

18 CHAIRMAN GRAHAM: We will insert the prefiled  
19 testimony into the record as though read.  
20  
21  
22  
23  
24  
25

1                   **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2                                   **AQUA UTILITIES FLORIDA, INC.**

3                                   **DIRECT TESTIMONY OF PRESTON LUITWEILER**

4                                   **DOCKET NO. 100330-WS**

5           **Q. What is your name and business address:**

6           A. My name is Preston Luitweiler. My business address is 762 W. Lancaster  
7           Avenue, Bryn Mawr, Pennsylvania 19010.

8  
9           **Q. By whom are you employed and in what capacity?**

10          A. I am Vice President and Chief Environmental Officer of Aqua Services, Inc.

11  
12          **Q. Please describe your education and business experience.**

13          A. I have a B.S. degree in Civil Engineering and an M.S. in Environmental  
14          Engineering from Drexel University. I am a licensed Professional Engineer in  
15          Pennsylvania. I have worked for Aqua (and its predecessor, Philadelphia  
16          Suburban Water Company) for 27 years in various capacities, including Design  
17          Engineer, Research Engineer, Manager of Research, Vice President of Water  
18          Resources, and presently Vice President and Chief Environmental Officer.

19  
20          **Q. What are your duties as Vice President and Chief Environmental Officer?**

21          A. I am responsible for water quality and environmental compliance for Aqua  
22          facilities in 12 states, including Florida. I supervise Aqua's corporate  
23          environmental compliance staff and central laboratory in Bryn Mawr, and  
24          provide indirect supervision to state and regional environmental compliance  
25          personnel who report to state and regional presidents.

1           **Q. What is the purpose of your direct testimony?**

2           A. The purpose of my testimony is to address the overall quality of service  
3           provided by Aqua Utilities Florida, Inc. ("AUF"). More specifically, my  
4           testimony addresses the water quality and operating conditions of AUF's  
5           water and wastewater facilities, AUF's efforts to address customer satisfaction  
6           with respect to water quality, and AUF's compliance with environmental  
7           regulations.

8

9           My testimony also addresses the following pro forma plant additions that have  
10          been protested in this case: (1) the Breeze Hill Wastewater Inflow and  
11          Infiltration (I&I) Project; (2) the Lake Josephine and Sebring Lakes AdEdge  
12          Water Treatment Project; (3) the Leisure Lakes AdEdge Water Treatment  
13          Project; (4) the Peace River Water Treatment Project; (5) the Tomoka Twin  
14          Rivers Water Treatment Plant Tank Lining Project; and (6) the Sunny Hills  
15          Water System Water Tank Replacement Project. I collectively refer to these  
16          projects in my testimony as "AUF's Protested Pro Forma Projects."

17

18          **Q. Are you sponsoring any exhibits to your direct testimony?**

19          A. Yes.

20          **Exhibit PL – 1** - is a list of water and wastewater systems included in this  
21          case.

22          **Exhibit PL – 2** - is AUF's Final Phase II Quality of Service Monitoring  
23          Report.

24          **Exhibit PL – 3** - is pro forma support documentation for the Lake Josephine  
25          and Sebring Lakes Project.



1 Peace River Heights and Sunny Hills are required by environmental  
2 regulatory agencies. These projects are either completed or will be completed  
3 prior to the formal administrative hearing to be held in this case. Accordingly,  
4 AUF's Protested Pro Forma Projects should be included in AUF's rate base.  
5

6 **Q. Please describe in general the water and wastewater systems that are part**  
7 **of this rate case?**

8 A. AUF operates 60 water systems and 27 wastewater systems that are the  
9 subject of this rate case. Many of these systems were constructed 40 to 50  
10 years ago. The majority of AUF's water systems are small systems that serve  
11 primarily residential customers, utilizing basic chlorination for treatment.  
12 AUF's wastewater systems vary in size and complexity but generally employ  
13 traditional wastewater treatment methods such as screening, extended  
14 aeration, clarification, disinfection, and effluent disposal by spray irrigation of  
15 percolation ponds. Attached to my testimony as Exhibit PL-1 is a listing of the  
16 water and wastewater systems, by county, that are under the Commission's  
17 jurisdiction and are included in this rate case filing.  
18

19 **Q. Please describe AUF's policy with respect to compliance with**  
20 **environmental, health department, and water management regulatory**  
21 **standards?**

22 A. AUF is committed to operating its water and wastewater systems in  
23 compliance with all applicable standards of FDEP, the various health  
24 departments, and the WMDs. Most of the systems have recently been  
25 inspected by the applicable regulatory agencies and have no outstanding

1 compliance issues. There have been no Notices of Violation issued for any of  
2 the systems since the final order -- Order No. PSC-09-0385-FOF-WS -- was  
3 issued in AUF's last rate case.

4

5 **Q. Has AUF made progress in addressing the environmental compliance**  
6 **issues identified in the Company's last rate case?**

7 A. Yes, as outlined in my Exhibit PL-2, AUF has taken aggressive steps to  
8 resolve all of the environmental compliance issues identified in the last rate  
9 case. For example, at the close of the evidentiary record in the last rate case,  
10 AUF had five open consent orders for the following systems: Chuluota Water  
11 System, The Woods Water System, Zephyr Shores Water System, Village  
12 Water Wastewater System, and South Seas Wastewater System. All of those  
13 consent orders have now been closed with the exception of the Village Water  
14 consent order, which I will explain later in my testimony. While AUF is proud  
15 of its environmental compliance accomplishments for all of its systems, it is  
16 especially proud of the significant improvements to the Chuluota water  
17 system.

18

19 **Q. Please describe the improvements to the Chuluota water system?**

20 A. The Commission excluded the Chuluota water and wastewater systems from  
21 rate relief in the last rate case because it found that the quality of service for  
22 those systems was unsatisfactory. That finding was based primarily on water  
23 quality compliance issues involving disinfection byproducts (TTHMs), which  
24 were ongoing with the FDEP at the time of the last rate case.

25



1 Since the last rate case, AUF has made significant improvements to the  
2 Chuluota system and, to date, has invested over \$2.1 million dollars in an ion  
3 exchange system to address the TTHM issue. As a result of those  
4 improvements, the Chuluota system has been in compliance with TTHM  
5 standards for all of 2010. After successful test results, FDEP closed the  
6 consent order for the Chuluota system in December 2010. A follow up  
7 inspection in January 2011 noted that the plant was in good operating  
8 condition with no deficiencies. In addition to significantly reducing TTHMs  
9 and achieving compliance, the new ion exchange treatment process has  
10 greatly improved the aesthetic quality of the water to the point where the  
11 number of water quality complaints and inquiries from Chuluota customers  
12 has dropped dramatically.

13  
14 **Q. Is AUF seeking rate relief for the Chuluota Systems in this case?**

15 A. No. The Chuluota water and wastewater systems are not part of this rate case.  
16

17 **Q. For the systems that are part of this rate case, please describe AUF's**  
18 **compliance with the relevant environmental standards.**

19 A. AUF is in compliance with the applicable FDEP, county health department,  
20 and WMD standards for the vast majority of its water and wastewater  
21 systems. AUF has no outstanding Notices of Violation. Currently, there are  
22 three outstanding consent orders related to (1) effluent disposal at the Village  
23 Water wastewater system, (2) storage capacity at the Sunny Hills water  
24 system, and (3) Gross Alpha Particle Activity at the Peace River water system.  
25

1           **Q. Please describe those consent orders?**

2           A. Village Water Wastewater. FDEP issued a consent order in May 2009 related  
3           to the Village Water wastewater system and the long-term effluent disposal  
4           capacity of the percolation ponds. The owner prior to AUF constructed the  
5           ponds below the ground water table. Pursuant to the consent order, AUF has  
6           executed a long-term lease with a nearby property owner for land for a spray  
7           field for effluent disposal, and has completed the soils evaluation and the  
8           preliminary design of the spray fields. The findings of the soils evaluation  
9           prompted AUF to negotiate with FDEP an extension of the deadlines in the  
10          consent order in order to take one last look at an alternative involving use of  
11          the effluent disposal system operated by the City of Lakeland. Discussions  
12          with the City of Lakeland have been cordial and are continuing. However,  
13          without at least partial funding from the WMD, this alternative is not likely to  
14          be economically viable. The WMD has advised that funding is not likely to be  
15          available. AUF is continuing to pursue both options simultaneously while  
16          apprising FDEP of progress on both fronts.

17

18          Sunny Hills. The consent order was issued in December 2010 and involves  
19          FDEP's determination that the existing storage capacity for the water system  
20          is not sufficient, and FDEP is requiring AUF to increase its current storage  
21          capacity. Consistent with the consent order, AUF submitted plans and a  
22          permit application to FDEP for a new storage tank and related piping. The  
23          project is being put out to bid. AUF expects to award a contract in September  
24          2011. As I explain later in my testimony, AUF is requesting inclusion of the  
25          new storage tank in rate base as pro forma plant.

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Peace River. AUF signed an FDEP consent order for the Peace River water system in June 2010 that requires AUF to perform bimonthly sampling for Gross Alpha Particle Activity and Combined Radium for 24 consecutive months. AUF has also conducted a pilot study to evaluate possible treatment methods. Although the facility is currently in compliance with the MCLs for Gross Alpha Particle Activity and for Combined Radium, results of the bimonthly sampling triggered a requirement under the consent order to begin to design radium removal treatment. Design was completed and a Permit application was submitted to FDEP in June 2011. AUF will be executing a contract with the supplier of the treatment equipment and bidding the construction in September 2011. AUF expects to complete construction within 180 days of issuance of the FDEP permit, which is a condition of the consent order. As explained later in my testimony, AUF is requesting that the costs of this project be included in rate base as a pro forma project.

**Q. Does AUF have a policy regarding coordinating with environmental regulators?**

A. Yes. AUF's policy is to be as responsive as possible to inquiries from environmental regulators. This is achieved by closely coordinating its infrastructure operations with FDEP and keeping lines of communication open. For example, on June 23, 2011, AUF received correspondence from FDEP regarding operational issues at its Jasmine Lakes and Palm Terrace wastewater facilities. AUF moved quickly to respond to the issues identified by FDEP and met with FDEP on July 28, 2011, to discuss all actions taken.

1 Furthermore, AUF has provided FDEP thorough written responses which  
2 document that the issues identified by FDEP have been resolved.

3  
4 The most substantive issue related to the installation of a replacement force  
5 main at Palm Terrace to convey treated wastewater effluent to a spray field.  
6 The prior main had been installed by a previous owner before the system was  
7 acquired by AUF, and traversed a concrete apron conveying storm water to a  
8 Pasco County storm water pond. AUF applied to Pasco County for a permit to  
9 replace the main on June 1, 2011, and finally received the permit July 20,  
10 2011. Construction was completed on August 3, 2011. FDEP was present to  
11 witness the completion and testing of the new force main.

12  
13 **Q. In your professional opinion, how would you rate AUF's environmental**  
14 **compliance record in Florida?**

15 A. By all accounts, AUF's environmental compliance record in Florida is  
16 excellent. As I explained earlier in my testimony, AUF operates 60 water  
17 systems and 27 wastewater systems located throughout the state of Florida.  
18 Many of these systems were constructed 40 to 50 years ago. As with any type  
19 of aging infrastructure, there will be maintenance and repair requirements  
20 which, at times, will present environmental compliance challenges. The fact  
21 that virtually all of AUF's systems are in compliance with environmental  
22 requirements is clear evidence that AUF is committed to environmental  
23 compliance. The water quality from AUF's water and wastewater facilities is  
24 good, and its plants and facilities are in good operating condition. No further  
25 action by the Commission is needed to ensure the quality of AUF's water and

1 wastewater product and the operating condition of its facilities.

2

3 **Q. Has AUF taken steps to attempt to address customer satisfaction with**  
4 **respect to the quality of the water it provides?**

5 A. Yes, AUF has taken significant steps to address customer satisfaction,  
6 particularly in the area of aesthetic water quality.

7

8 **Q. What do you mean by “aesthetic water quality”?**

9 A. The U.S. Environmental Protection Agency (“EPA”) National Primary  
10 Drinking Water Regulations set enforceable Maximum Contaminant Levels  
11 (“MCLs”) for drinking water to protect the public from contaminants that  
12 might present some risk to human health. An MCL is the maximum allowable  
13 amount of a contaminant in drinking water that is delivered to the consumer.  
14 EPA National Secondary Drinking Water Regulations set non-mandatory  
15 Secondary Maximum Contaminant Levels (“SMCLs”) for other constituents  
16 based on “aesthetic” considerations such as taste, color and odor. EPA and  
17 FDEP do not enforce these SMCLs. They are established as guidelines to  
18 assist public water suppliers in managing their drinking water systems. Such  
19 constituents are not considered to present a risk to human health at or below  
20 the SMCL. The raw water source for some of AUF’s water systems contains  
21 naturally occurring “aesthetic” constituents like those I just discussed. Such  
22 constituents include iron and sulfides, which at times can cause undesirable  
23 color, taste, and odor. Some of these raw water sources also contain calcium  
24 and other minerals, which can lead to hard water. Environmental regulators do  
25 not consider these aesthetic qualities to cause health issues and, as such, they

1 are considered secondary standards. These constituents can often be difficult  
2 and expensive to remove.

3

4 **Q. Please describe the steps that AUF has taken to address customer**  
5 **satisfaction in the area of aesthetic water quality.**

6 A. AUF initiated its Original Aesthetic Program in 2008 to address customer  
7 comments related to aesthetic water quality made during the last rate case.  
8 Although aesthetic water quality standards are not typically enforced by  
9 environmental agencies, AUF proactively developed its Original Aesthetic  
10 Program as a plan to effectively address its customers' aesthetic water quality  
11 concerns. As part of its Original Aesthetic Program, AUF reviewed:  
12 comments from customers at the public hearings; complaints dealing with  
13 aesthetic water quality issues; aesthetic water quality sampling data; and,  
14 feedback from area coordinators. AUF also surveyed customers on aesthetic  
15 water quality. As a result of this process, AUF identified seven (7) water  
16 systems where customers had expressed the most concern regarding aesthetic  
17 water quality issues: Lake Josephine, Leisure Lakes, Sebring Lakes, Rosalie  
18 Oaks, Tangerine, Tomoka View, and Zephyr Shores. OPC and AUF agreed  
19 that these same seven (7) systems would be the focus of the Phase II  
20 Monitoring Plan's aesthetic water quality component. The scope and results of  
21 this aesthetic water quality improvement initiative are set forth in detail in  
22 AUF's Final Phase II Quality of Service Monitoring Report dated February  
23 28, 2011 ("Final Report"), which I have attached as Exhibit PL-2.

24

25 **Q. What is the status of AUF's Phase II Aesthetic Water Quality Improvement**

**Initiative?**

1  
2 A. After meeting twice with customer representatives and OPC at each of the  
3 seven system locations, AUF has developed and is implementing real  
4 improvements to aesthetic water quality in those areas. Work has been  
5 completed at the Rosalie Oaks (flushing hydrants and blowoffs), Zephyr  
6 Shores (flushing hydrants, blowoffs, and installation of sequestration  
7 treatment), Tangerine (pipe replacement and looping, and installation of  
8 sequestration treatment) and Tomoka View (chloramination) systems. Work  
9 on permitting and installation of AdEdge treatment to remove hydrogen  
10 sulfide is currently ongoing at Leisure Lakes, Lake Josephine and Sebring  
11 Lakes.

12  
13 A downward trend in the number of water quality complaints from customers  
14 in these systems shows that our customers are seeing the benefits of these  
15 improvements. AUF's efforts to improve aesthetic water quality clearly  
16 demonstrate its commitment to customer service and to addressing customer  
17 satisfaction.

18  
19 **Q. Does AUF intend to continue to address aesthetic water quality issues**  
20 **beyond the 7 systems included in its Aesthetic Water Quality**  
21 **Improvement Initiative?**

22 A. Yes. In selecting the systems to be part of the first phase of AUF's Aesthetic  
23 Water Quality Improvement Initiative, priority was given to systems with  
24 SMCL exceedences for taste and odor (due mainly to hydrogen sulfide, iron,  
25 manganese). Priority also was given to systems that could have issues with

1 primary drinking water standards. While work on some of the projects in the  
2 first phase is continuing, AUF is developing the next tier of systems to be  
3 included in the second phase of the aesthetic improvement project. The  
4 Arredondo Farms water system, along with Hermit's Cove, River Grove and  
5 Arredondo Estates, have been selected for this second phase.

6  
7 **Q. Why wasn't Arredondo Farms included in the first phase of the aesthetic**  
8 **improvement initiative?**

9 A. As I mentioned, Arredondo Farms water system had no SMCL exceedences  
10 and no issues related to primary standards. Thus, it was placed in the next tier  
11 of systems.

12  
13 **Q. Please describe the quality of the water at Arredondo Farms.**

14 A. The quality of AUF's water product at the Arredondo Farms water system is  
15 good, as is the operational condition of that system. Furthermore, AUF has  
16 made, and continues to make, concerted attempts to address customer  
17 satisfaction at the Arredondo Farms System. The water quality in the  
18 Arredondo Farms Water System meets all state and federal drinking water  
19 standards.

20  
21 AUF is required to regularly monitor for primary and secondary standards.  
22 Since AUF acquired the Arredondo Farms water system in 2003, the system  
23 has provided water meeting all primary and secondary federal and state  
24 drinking water standards. This is clearly shown in AUF's Responses to YES'  
25 First Request for Production of Documents Nos. 1, 2 and 8. There is no



1 SMCL for hardness. There is an SMCL for total dissolved solids (TDS) at 500  
2 mg/L, and is based largely on taste when the TDS is comprised mainly of salt  
3 (sodium and chloride). The TDS of the water at Arredondo Farms is 306  
4 mg/L, well below that SMCL. Neither sodium nor chloride is a significant  
5 component of the TDS in the water at Arredondo Farms. The hardness of the  
6 water in Arredondo Farms is around 320 mg/L as a result of calcium  
7 carbonate. This is hard water, but not exceptionally hard for Florida.

8  
9 **Q. What is the Commission's policy with respect to hard water?**

10 A. The Commission has consistently recognized that it is not unusual for Florida  
11 water utilities to experience water "hardness" issues, and the Commission has  
12 not taken punitive actions against utilities that do.<sup>1</sup> Indeed, in the 1996 rate  
13 case involving the Arredondo Farms Systems (which were then owned by  
14 Arredondo Utility Corporation), the Commission expressly found that, while  
15 the water at the system was hard, it did not present a health hazard. *See* Order  
16 No. PSC-96-0728-FOF-WS at 2-3. The Commission went on to conclude that  
17 the "treated water provided by Arredondo meets or exceeds all requirements  
18 for safe drinking water" and that the utility had satisfactory water quality. *Id.*  
19 The Commission also warned that a system-level solution to the "hard" water  
20 issue at Arredondo would not be cost-effective or prudent:

21 Those customers who attended the customer  
22 meeting were primarily concerned about mineral deposits  
23 on their kitchen and bath fixtures. This situation is  
24 generally treatable by lime softening. However, the cost to

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<sup>1</sup> *See, e.g.*, Order No. PSC-00-2054-PAA-WS (Oct. 27, 2000); Order No. PSC-96-0728-FOF-WS (May 30, 1996); Order No. PSC-93-0027-FOF-WS (Jan. 5, 1993).

1 install lime softening equipment is from approximately  
2 \$80,000 to \$140,000 for each of the two water treatment  
3 plants. This cost would be passed on to the customers  
4 through their rates. We find that this solution would not be  
5 cost effective or prudent for this customer base. We note  
6 that customers who find the scaling problem to be  
7 intolerable have other options. They could either have a  
8 local water softening company install a water softening unit  
9 at a variable price, or they could purchase a whole house  
10 filter system for less than \$50.00. Filter cartridges are  
11 replaced as necessary and can be purchased to screen for a  
12 variance of compounds, including excessive minerals. . . .  
13 All things considered, we find that the utility's quality of  
14 service is satisfactory.

15 *Id.* at 3 (emphasis added).

16

17 Although the Commission has previously warned that a system-level solution to  
18 the “hard” water issue would not be cost-effective or prudent, I want to be clear  
19 that AUF continues to try to actively address its customers’ concerns regarding  
20 hard water. AUF’s service technicians advise customers that the effects of hard  
21 water can be mitigated by a variety of household products or by homeowners  
22 softening their water. Furthermore, for customers who consider obtaining water  
23 softeners, AUF recommends softening only the hot water to maximize benefits  
24 and minimize the cost of softening.

25

1           **Q. Has AUF considered possible actions to cost-effectively address the hard**  
2           **water issue at Arredondo Farms?**

3           A. System-level alternatives to address the hardness at Arredondo Farms will be  
4           evaluated and presented as soon as the first phase of the aesthetics improvement  
5           projects has been completed. Options under consideration currently include  
6           softening processes other than lime softening (still very expensive), or adding a  
7           sequestering agent similar to those recently added to the Tangerine and Zephyr  
8           Shores water systems in the first phase of the secondary water quality project but  
9           tailored to address the effects of calcium and magnesium instead of iron and  
10          manganese. AUF's ultimate goal is to find a balanced solution that will maximize  
11          benefits to customers and minimize upward pressure on rates.

12  
13          **Q. What is the quality of the treated wastewater product at Arredondo Farms?**

14          A. The quality is good. Arredondo Farms Wastewater Treatment Facility  
15          ("WWTF") is currently operating in accordance with all applicable  
16          environmental standards, and there are no outstanding enforcement issues.  
17          Subsequent to AUF's last rate case, AUF has made significant upgrades to the  
18          WWTF which were completed and placed into service in August 2010 at a  
19          cost of \$291,870.<sup>2</sup> (In addition, it should be noted that during the construction  
20          of the WWTF upgrade, AUF's contractor advised the potential development  
21          of a sinkhole. AUF hired Devoe Engineering to perform a site assessment and  
22          the sinkhole was stabilized. However, another sinkhole developed, which  
23          AUF stabilized at a cost of \$47,137.) FDEP issued a clearance letter regarding  
24          this project on August 27, 2010. AUF has also completed a pond rehabilitation

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<sup>2</sup> The factual details and the costs associated with the WWTF upgrade are set forth in AUF's Sixth Supplemental Response to Staff's Second Data Request dated February 28, 2011.

1 project at the Arredondo WWTF to improve percolation rates. This project  
2 was completed in November 2010 at a cost of \$127,765. Clearly, AUF's  
3 actions demonstrate that it offers good quality wastewater service at  
4 Arredondo Farms and is committed to maintaining that good quality of service  
5 going forward.

6  
7 *Pro Forma Plant*

8 **Q. Please explain why you are providing testimony to support inclusion of**  
9 **certain pro forma plant addition projects in rate base.**

10 A. AUF provided detailed information regarding its various pro forma plant  
11 addition projects as part of its MFRs. When the Commission issued its PAA  
12 Order, it recognized several of AUF's pro forma projects for inclusion in rate  
13 base but disallowed all or portions of the following projects: (1) the Breeze Hill  
14 Wastewater Inflow and Infiltration (I&I) Project; (2) the Lake Josephine and  
15 Sebring Lakes AdEdge Water Treatment Project; (3) the Leisure Lakes AdEdge  
16 Water Treatment Project; (4) the Peace River Water Treatment Project; (5) the  
17 Village Water Wastewater Disposal Project; (6) the Tomoka Twin Rivers Water  
18 Treatment Plant Tank Lining Project; and (7) the Sunny Hills Water System  
19 Water Tank Replacement Project. After reviewing all of the relevant support  
20 information, AUF believes that, under the Commission's standards for pro  
21 forma plant additions, the full amount of all but one of these projects (Village  
22 Water) should have been included in rate base. I refer to those 6 pro forma  
23 projects collectively as "AUF's Protested Pro Forma Projects."

24  
25 **Q. What is the Commission's practice for including a pro forma project in**

1           **rate base?**

2           A.    In order to include a pro forma project in rate base, the Commission requires the  
3           utility to provide documentation supporting the purpose, design and price of the  
4           project so that the Commission can sufficiently evaluate the prudence and the  
5           cost of the project. Such documentation could include executed contracts, work  
6           orders, and current price quotes.

7

8           **Q.    Please explain why the Lake Josephine and Sebring Lakes AdEdge Water**  
9           **Treatment Project meets the Commission's standard for inclusion in rate**  
10          **base?**

11          A.    The Lake Josephine and Sebring Lakes AdEdge Water Treatment Project has  
12          been designed, permit applications have been submitted to FDEP, and  
13          equipment has been ordered. We expect to bid the construction work by  
14          September 5, 2011, and complete construction by December 2, 2011. Detailed  
15          design, permit application, and executed equipment supply proposal documents  
16          are attached to my testimony in Exhibit PL-3.

17

18          **Q.    Please explain why the Breeze Hill Wastewater I&I Project meets the**  
19          **Commission's standard for inclusion in rate base?**

20          A.    As demonstrated in the MFRs, the Breeze Hill wastewater system previously  
21          had a high amount of I&I in its system. AUF proposed an I&I rehabilitation  
22          project in its rate case filing to address the excessive I&I. This project was  
23          completed in March 2011. Attached to my testimony in Exhibit PL-4, is an  
24          invoice from Williams Testing LLC, dated March 18, 2011, in the amount of  
25          \$64,755. On May 31, 2011, this project was closed from Construction Work In

1 Progress ("CWIP") into plant in service. The total amount of this now-closed  
2 project is \$78,164.65, including overhead. Also included in Exhibit PL-4 is the  
3 internal AC290 report verifying the closing date and total amount of this  
4 project. Thus, \$78,165 for the in-service plant should be included in rate base.

5  
6 **Q. Please explain why the Tomoka Twin Rivers Treatment Plant Tank Lining**  
7 **Project meets the Commission's standard for inclusion in rate base?**

8 A. The need for this project was identified in a Volusia County Department of  
9 Health (VCHD) letter, dated February 2, 2010, which pointed out the age and  
10 condition of AUF's concrete block tank at the Tomoka Twin Rivers plant. The  
11 previous owner failed to coat the tank, which exposed its walls to corrosive  
12 chlorine. The project to reline the tank was completed in May 2011. Attached  
13 to my testimony in Exhibit PL-5 are invoices totaling \$41,046. On June 30,  
14 2011, this project was closed from CWIP into plant in service. Also included in  
15 Exhibit PL-5 is the internal AC290 report verifying the closing date and total  
16 amount of this project. The total amount of this now-closed project is  
17 \$48,065.70, including overhead. Thus, \$48,066 for the in-service plant should  
18 be included in AUF's rate base in this rate case.

19  
20 **Q. Please explain why the Leisure Lakes AdEdge Water Treatment Project**  
21 **meets the Commission's standard for inclusion in rate base?**

22 A. The Leisure Lakes AdEdge Water Treatment Project has been designed, a  
23 permit application has been submitted to FDEP, and equipment has been  
24 ordered. We expect to bid the construction work by November 7, 2011, and  
25 construction to be completed by December 30, 2011. Detailed design, permit

1 application, and executed equipment supply proposal documents are attached to  
2 my testimony in Exhibit PL- 6.

3  
4 **Q. Please explain why the Peace River Water Treatment Project meets the**  
5 **Commission's standard for inclusion in rate base?**

6 A. The Peace River Water Treatment Project has been designed and a permit  
7 application submitted to FDEP. AUF expects to receive a permit by September  
8 2, 2011, and to order the treatment equipment the same week. AUF expects to  
9 bid the construction work by October 3, 2011, and have the treatment  
10 equipment delivered by November 9, 2011. The project is expected to be  
11 completed by December 16, 2011. Copies of the design and permit application  
12 documents, and an executed proposal from the treatment equipment supplier,  
13 are attached to my testimony in Exhibit PL-7.

14  
15 **Q. Please explain why the Sunny Hills Water System Water Tank**  
16 **Replacement meets the Commission's standard for inclusion in rate base?**

17 A. AUF has completed design for a new water tank and associated piping. The  
18 design and an application for a construction permit was filed with FDEP on  
19 June 6, 2011. The tank will be ordered in August 2011, and the construction of  
20 the tank foundation and piping is expected to be put out to bid by August 15,  
21 2011. Construction is expected to be completed by December 15, 2011. Copies  
22 of the AC290 report and supporting invoices, along with copies of the design,  
23 permit application, and proposal for the tank are attached to my testimony in  
24 Exhibit PL-8.

25 **Q. Are there other reasons why AUF's Protested Pro Forma Projects should**

1           **be included in rate base?**

2           A. Yes. The costs for most of these pro forma plant addition projects include  
3           environmental compliance costs. AUF is entitled to recover those costs  
4           pursuant to Section 367.081(2)(a)(2.)(c.), Florida Statutes, which provides “the  
5           commission shall approve rates for service which allow a utility to recover from  
6           customers the full amount of environmental compliance costs. . . . For  
7           purposes of this requirement, the term ‘environmental compliance costs’  
8           includes all reasonable expenses and fair return on any prudent investment  
9           incurred by a utility in complying with the requirements or conditions contained  
10          in any permitting, enforcement, or similar decisions of the United States  
11          Environmental Protection Agency, the Department of Environmental  
12          Protection, a water management district, or any other governmental entity with  
13          similar regulatory jurisdiction.” (Emphasis added.)

14  
15          **Q. Please describe AUF’s Protested Pro Forma Projects which include**  
16          **environmental compliance costs.**

17          A. The projects with components undertaken as a result of current consent orders  
18          issued by the FDEP are: (1) Peace River Gross Alpha Treatment; (2) Sunny  
19          Hills Additional Storage; and (3) Tomoka Twin Rivers Tank Liners. The  
20          projects undertaken as a result of the Commission-approved Phase II Aesthetic  
21          Water Quality Improvement Initiative are: Lake Josephine/Sebring Lakes  
22          AdEdge Treatment, and Leisure Lakes AdEdge Treatment.

23

24

25



1       **Q. Does this conclude your direct testimony?**

2       A. Yes.

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1 BY MR. MAY:

2 Q. Mr. Luitweiler, have you attached any exhibits  
3 to your Prefiled Direct Testimony?

4 A. Yes, I have. There are eight exhibits.

5 Q. Do you have any corrections or revisions to  
6 those exhibits?

7 A. No, I do not at this time.

8 Q. Have you prepared a summary of your Prefiled  
9 Direct Testimony?

10 A. Yes, I have.

11 Q. Would you please provide a brief summary at  
12 this time?

13 A. Okay. Good morning, Chairman and  
14 Commissioners. My name is Preston Luitweiler. I am  
15 Vice-President and Chief Environmental Officer of Aqua  
16 Services, Inc. I am responsible for water quality and  
17 environmental compliance for Aqua Utilities Florida's  
18 water and wastewater systems.

19 As you know, Aqua Utilities Florida operates  
20 60 water systems and 27 wastewater systems that are the  
21 subject of this rate case. My Direct Testimony  
22 addresses AUF's overall quality of service relative to  
23 water quality in these water and wastewater systems.

24 Specifically, my testimony focuses on AUF's  
25 compliance with environmental regulations and our

1 efforts to address customer satisfaction with respect to  
2 water quality. First, AUF has taken aggressive steps to  
3 resolve the environmental compliance issues identified  
4 in the last rate case. Due to AUF's efforts, there have  
5 been no notices of violation issued for any of these  
6 systems since the final order. Likewise, all open  
7 consent orders identified in the last case have been  
8 closed, save for one which AUF and DEP continue to  
9 actively discuss to seek a viable solution.

10 AUF is especially proud of its accomplishments  
11 at the Chuluota water system since the last rate case in  
12 which Chuluota was excluded from rate relief. AUF has  
13 invested over \$2.1 million in an ion exchange treatment  
14 system. The Chuluota system has been in compliance with  
15 the total trihalomethane standard since the beginning of  
16 2010, and in December of 2010 the Chuluota consent order  
17 was closed. The new ion exchange treatment process has  
18 also improved aesthetic water quality and number of  
19 water quality complaints from Chuluota customers has  
20 dropped dramatically.

21 After the last rate case, with concurrence  
22 from the OPC, AUF undertook secondary water quality  
23 projects at seven other water systems. Projects at  
24 Rosalie Oaks, Tangerine, Tomoka View, and Zephyr Shores  
25 have been completed. Projects at Sebring Lakes, Lake

1 Josephine, and Leisure Lakes are well on the way to  
2 completion. And Arredondo Farms, Arredondo Estates,  
3 Hermits Cove, and River Grove have been selected for the  
4 second phase of AUF's secondary water quality  
5 improvement projects.

6 I also discussed the water quality at  
7 Arredondo Farms, which meets all state and federal  
8 drinking water standards. As the Commission found in  
9 the 1996 rate case involving this system, which was then  
10 owned by Arredondo Utility Corporation, while the water  
11 in the system is hard, it presents no health hazard.  
12 While there is no primary or secondary drinking water  
13 standard for hardness, AUF is committed to exploring  
14 with YES and other customer representatives options to  
15 address concerns about hardness.

16 My testimony also discusses the protested pro  
17 forma capital projects. Such projects have been  
18 completed at Tomoka View and Breeze Hill. Filtration  
19 equipment has been installed at Lake Josephine and  
20 Sebring Lakes, and start-up will be completed this week.  
21 Similar equipment has been ordered and fabricated for  
22 Leisure Lakes and a construction permit has been issued.  
23 At Sunny Hills, a contract has been executed for  
24 construction of piping improvements and a tank. And at  
25 Peace River Heights design has been completed, a

1 construction permit issued, and treatment equipment  
2 ordered for radium removal treatment. The contract for  
3 construction has been awarded, executed, and a copy has  
4 been provided to the Commission. AUF is, therefore,  
5 requesting the documented cost for these projects be  
6 included in rate base as pro forma plant.

7 That concludes my summary. Thank you.

8 **MR. MAY:** Mr. Chairman, Aqua would tender  
9 Mr. Luitweiler for cross-examination.

10 **CHAIRMAN GRAHAM:** Thank you. OPC.

11 **CROSS EXAMINATION**

12 **BY MS. CHRISTENSEN:**

13 Q. Good afternoon, Mr. Luitweiler.

14 Can I have you turn to Page 12 of your Direct  
15 Testimony?

16 A. I'm there.

17 Q. Okay. On Line 6 you state that AUF initiated  
18 its original aesthetics program in 2008 to address  
19 customer comments related to aesthetic water quality  
20 made during the last rate case. Is that correct?

21 A. That's correct.

22 Q. Okay. Now, let's -- do you have, I think  
23 everyone else has a copy the last rate case order.

24 **MS. CHRISTENSEN:** Permission to just approach  
25 the witness with the page that I want to discuss out of

1 that. I don't know if he still has a copy.

2 CHAIRMAN GRAHAM: Sure.

3 THE WITNESS: I do not have a copy with me.

4 BY MS. CHRISTENSEN:

5 Q. Let me direct your attention to Page 20 of the  
6 order issued in the last rate case, PSC-09-0385-FOF?

7 A. Okay.

8 Q. Okay. Now, isn't it correct that the  
9 Commission stated that AUF must continue to work on  
10 improving the water product quality?

11 A. Can you direct me to the specific paragraph or  
12 section of this document you are referring to?

13 Q. That would be the third full paragraph, last  
14 sentence. If you could read that out loud, please.

15 A. Nonetheless, other AUF systems have issues  
16 with taste, odor, sediment, and color similar to other  
17 water utility systems in Florida. AUF must continue to  
18 work on improving the water product quality.

19 Q. So you would agree that the initiative to  
20 improve water quality was not entirely voluntary,  
21 correct?

22 A. I would agree with that.

23 Q. Okay. Let me turn your attention to Line 15  
24 on Page 12 of your testimony. And on that line you talk  
25 about the seven water systems that were included in the

1 program. Now, isn't it correct that priority was given  
2 to the systems that exceeded secondary maximum  
3 contaminant levels?

4 A. There were a variety of criteria used to  
5 select these seven systems that included violation of  
6 secondary standards, the potential violation of primary  
7 standards, and level of customer complaints, and the  
8 geographic distribution of those systems.

9 Q. Okay. Well, let me direct you to Page 13 of  
10 your Direct Testimony, Lines 19 through 25. Now, it's  
11 correct that you posed the question does AUF intend to  
12 continue to address aesthetic water quality issues  
13 beyond the seven systems included in the aesthetics  
14 water quality improvement initiative.

15 And you respond: In selecting the systems to  
16 be part of the first phase of AUF's aesthetic water  
17 quality improvement initiative, priority was given to  
18 the systems with SMCL exceedances for taste and odor due  
19 mainly to hydrogen sulfide, iron, and magnesium, is that  
20 correct?

21 A. That's part of the testimony, yes.

22 Q. Okay.

23 A. I go on to say that priority was also given to  
24 systems that could have issues with primary drinking  
25 water standards, and while work on some of those

1 projects in the first phase is continuing, AUF is  
2 developing the next tier.

3 Q. Okay. But you haven't started the next tier  
4 of systems, correct?

5 A. We have identified the systems as I describe  
6 on Page 14.

7 Q. Okay. But you haven't actually taken any  
8 action at this point?

9 A. We have not.

10 Q. Let me turn your attention to Page 21 of your  
11 Direct Testimony, Lines 17 through 24. Are you there?

12 A. Yes.

13 Q. You talk about the Sunny Hills pro forma  
14 plant. And in your deposition, you discussed that you  
15 may not have the bids for the project yet. What is the  
16 current estimated date for the bids to be awarded?

17 A. Not only do we have bids, but we actually have  
18 a signed contract, and have authorized a contractor to  
19 commence work, and the tank has been ordered.

20 Q. Okay. What is the estimated date for  
21 completion?

22 A. The estimated date for completion, based on  
23 the schedule submitted by the contractor, is the first  
24 week in February.

25 Q. Okay. Now, you would agree, though, that this



1 project is not going to be completed until well past 18  
2 months after the end of your test year, correct?

3 A. That's correct.

4 Q. Okay. Let's turn back to Page 20 of your  
5 Direct Testimony. On Line 22 you discuss the Leisure  
6 Lakes adage water treatment project, and in your  
7 deposition you stated that you had not bid this project  
8 yet. What's the current estimate date for the bids to  
9 be awarded?

10 A. Around the middle of December.

11 Q. Okay. December of 2011?

12 A. Yes, December 2011.

13 Q. Do you have an estimated date for completion  
14 of this project?

15 A. Based on the time it took to complete the  
16 Sebring Lakes and Lake Josephine projects, we are  
17 anticipating mid-January for completion.

18 Q. Okay. And you would agree with me that --  
19 assuming at this point that you actually get a bid and a  
20 contract signed in December, which has not occurred yet,  
21 that that would still be well -- the project is not  
22 going to be completed until well past 18 months after  
23 the end of your test year on this, for this project,  
24 correct?

25 A. That is correct.

1 Q. Okay. Let me turn you back to Page 21, where  
2 you talk about the Peace River pro forma plant on Lines  
3 6 through 13. Again, in your deposition I asked you why  
4 the estimated cost is 371 percent higher than it was in  
5 the MFRs. Do you remember answering that the estimate  
6 in the MFRs was a placeholder?

7 A. It was a very rough estimate, and I described  
8 it as, basically, a placeholder, yes.

9 Q. Okay.

10 A. I also went on to describe that at the time we  
11 were not sure that we were going to be required to  
12 install this treatment. We were working only with the  
13 probability that we might have to install the treatment,  
14 because we were under a monitoring program which  
15 required that we take two years of samples every two  
16 months. And if any two of those samples exceeded a  
17 level, a drinking water standard level, that triggered  
18 the prompt initiation of design and installation of  
19 treatment.

20 Q. Okay. Then it would be fair to say that when  
21 you filed there was probably a 50/50 probability that  
22 you would not have to do anything at all?

23 A. We felt that was the case, yes, uh-huh.

24 Q. Okay. And in your deposition you also stated  
25 that you had to rebid the project because AUF awarded

1 that rebid?

2 A. Yes, we have.

3 Q. And do you have an estimated date for  
4 completion of this project?

5 A. It will be completed before February 15th,  
6 2012.

7 Q. Okay. And you would agree with me that that  
8 is also well past the 18 months of -- well past 18  
9 months after the end of the test year, correct?

10 MR. MAY: I'm going to object and inquire as  
11 to -- I think that this line of questioning assumes that  
12 there is a 18-month limit somewhere in the statute, and  
13 I don't think that has been established.

14 CHAIRMAN GRAHAM: I'm going to overrule the  
15 objection. I'm sure she's trying to lay some groundwork  
16 for her conclusion, coming towards the end. And that  
17 has got to be something along that you want this  
18 included in your test year, and it's 18 months out. We  
19 get it.

20 MS. CHRISTENSEN: Yes. And it's the last  
21 question along this line.

22 BY MS. CHRISTENSEN:

23 Q. You would agree that this is well beyond  
24 your -- or 18 months past the end of your test year,  
25 correct?

1           A.    I would agree with that.

2           Q.    Okay.  Moving on to a different topic, let me  
3 take you to Page 10 of your Direct Testimony, Lines 4  
4 through 11.  And in there you discuss operational issues  
5 identified by DEP for the Palm Terrace system.

6           A.    Yes.

7           Q.    Okay.  And you also testified that the most  
8 substantive issue related to the installation of the  
9 replacement force main that conveyed the wastewater  
10 treatment effluent that had been installed by the  
11 previous owner, is that correct?

12          A.    The replacement of that force main was the  
13 most substantive issue in the notice from DEP, yes.

14          Q.    Okay.  How long had it been since AUF  
15 purchased the Palm Terrace system from the prior owner?

16          A.    I believe Palm Terrace was one of the  
17 AquaSource systems, so that would have been acquired in  
18 2003.

19          Q.    Okay.  So the force main issue would not be a  
20 new problem, correct?

21          A.    That's correct.

22          Q.    And you would agree that this is something  
23 that Aqua would consider or should consider and be aware  
24 of when they purchased the system, correct?

25          A.    I would not agree with that, no.  The force

1 main was functioning. The only issue with the force  
2 main is that it was laid over a concrete apron which was  
3 an entrance of stormwater into the stormwater pond.  
4 That may not be best engineering practices, but it had  
5 not been cited as a problem or a violation prior to that  
6 time and would not necessarily have been the kind of  
7 thing that would have been found on due diligence.

8 Q. That is not something you would notice on a  
9 visual inspection of where the force main was going and  
10 that it went under a concrete apron?

11 A. Went over a concrete apron.

12 Q. I'm sorry, over a concrete apron.

13 A. Not necessarily, no.

14 Q. All right. Well, let me turn your attention  
15 to Page 6 of your Direct Testimony, and you comment that  
16 at the close of the last hearing AUF had five open  
17 consent orders. They were all closed now except for  
18 one, is that correct?

19 A. That is correct.

20 Q. Okay. Now, isn't it true that since the last  
21 rate case you have had consent orders for the Twin Oaks  
22 and Tomoka View systems for exceeding MCL for  
23 trihalomethane?

24 A. I know there was a consent order relative to  
25 trihalomethanes exceedances at Tomoka View. I know that

1 we addressed disinfection by-products or total  
2 trihalomethane issues at both Twin Rivers and Tomoka  
3 View within the last two years with chloramination  
4 treatment.

5 Q. Okay. And haven't you also had a consent  
6 order for the Peace River system for exceeding gross  
7 alpha MCLs?

8 A. Yes, that's true, and that's described  
9 elsewhere in my testimony.

10 Q. Okay. And is it also true that you had  
11 consent orders for the following systems: Jasmine Lakes  
12 wastewater, Rosalie Oaks wastewater, Fairways  
13 wastewater, Silver Lake Oaks water, Sunny Hill water,  
14 River Grove water, and Arredondo Farms wastewater?

15 A. I am not aware of -- specifically, you are  
16 saying consent orders?

17 Q. Yes.

18 A. Consent orders for each of those issues. I  
19 know that for Sunny Hills there is an open consent  
20 order, which is addressed elsewhere in my testimony. I  
21 know for South Seas we had a consent order which we have  
22 closed.

23 Q. Okay.

24 A. If we had consent orders for the other systems  
25 that you mentioned, they have all been closed.

1           Q.    Okay.  And would you also agree that not all  
2 violations result in consent orders, that you can  
3 sometimes be in violation of DEP rules and regulations  
4 without it resulting in a consent order?

5           A.    Yes, if by violation you mean anything that  
6 can be noted on an inspection report or a warning  
7 letter, yes.

8           Q.    Okay.  Well, let's discuss warning letters.  
9 Is it correct that AUF received a warning letter and a  
10 consent order for not timely submitting the results of  
11 the quarterly arsenic testing for Zephyr Shores water  
12 system?

13          A.    I don't recall.

14          Q.    Okay.  Do you know or are you aware that AUF  
15 received a warning letter for failing to notify DEP of a  
16 positive well test for E-coli for the Interlachen  
17 Estates water system?

18          A.    Yes, I am aware of that.

19          Q.    Okay.  And would it be also correct that AUF  
20 received a warning letter for failing to submit timely  
21 results of samples for nitrates and nitrites for the  
22 following systems:  Orange Hill, Sugar Creek water,  
23 Gibsons Estates water, and Rosalie Oak water?

24          A.    Yes, I'm aware of that.  I addressed them in  
25 my deposition, and I provided a late-filed exhibit that

1 included a close-out e-mail for the nitrate samples.

2 Q. And are you aware that -- I believe she is a  
3 DEP witness, but she may also be a water management or  
4 health department witness, Katherine Walker testified  
5 that, in general, Aqua does not submit compliance  
6 submittals in a timely manner. But once the data is  
7 requested, the utility is able to provide it. Are you  
8 aware of that testimony?

9 A. I saw that testimony and discussed it with our  
10 staff. I understand that there were some delays in  
11 submission of a couple of EN50s, which subsequently have  
12 been submitted, and that issue has been addressed and  
13 resolved and those reports are being submitted on time.

14 MS. CHRISTENSEN: We have no further  
15 questions.

16 CHAIRMAN GRAHAM: Okay. Ms. Bradley.

17 CROSS EXAMINATION

18 BY MS. BRADLEY:

19 Q. Sir, I just have a few questions. Did you  
20 attend the service hearings?

21 A. I did not.

22 Q. Have you had an opportunity to read those?

23 A. I have read some of the testimony from some of  
24 the service hearings.

25 Q. Okay. Did you read the one where the customer



1 testified that in about a year's time he had had two  
2 instances of sewage backing up in his toilet and in his  
3 tub?

4 A. Could you refresh me with the name of the  
5 person who --

6 Q. I don't have the name. I believe it was in  
7 Gainesville.

8 A. The name of the system.

9 Q. I believe it was in Gainesville. That would  
10 have been in the Arredondo Farms or the other Arredondo.  
11 I think it was Mr. Waters.

12 A. Mr. Waters. I don't recall that.

13 Q. You don't remember reading that?

14 A. I don't remember reading that testimony  
15 specifically, no.

16 Q. You wouldn't call that an acceptable  
17 wastewater system if people are having sewage -- and he  
18 also testified that he had had a plumber come out and  
19 they had traced it all the way past his home into your  
20 pipes.

21 MR. MAY: I'm going to object. I would  
22 appreciate counsel providing us the service hearing  
23 transcript page and line that you are referring to.

24 MS. BRADLEY: It was in Gainesville, the  
25 Arredondo Farms I believe it was.

1                   **CHAIRMAN GRAHAM:** Ms. Bradley, let's hold off  
2 until we find the actual testimony so we can put it in  
3 front of the witness.

4                   **MR. MAY:** You said Mr. Waters?

5                   **MS. BRADLEY:** I believe that was the one. I'm  
6 checking right now.

7                   **MR. JAEGER:** That testimony seems to be on  
8 Page 70, 71, in that area of the service hearing.

9                   **CHAIRMAN GRAHAM:** If somebody can give a copy  
10 of that to the witness.

11                   **MS. BRADLEY:** I will give him Page 71.

12                   **THE WITNESS:** Okay. I don't know the  
13 specifics of this particular case. I do notice in the  
14 testimony that when Mr. Waters was asked whether he had  
15 contacted Aqua, his answer was that he had not. I  
16 presume if there was a blockage in our service we found  
17 out about it in some way, but obviously he didn't call  
18 us.

19 **BY MS. BRADLEY:**

20                   **Q.** You would consider sewage backing up into the  
21 tub and the toilet to be a problem, wouldn't you?

22                   **A.** Any sewage blockage causing an SSO, or a  
23 backup of sanitary sewer, overflow, or a backup in  
24 somebody's home is regrettable. It is a situation that  
25 does occur. And when it occurs, we try to address it by

1 clearing the line and looking into whether the line  
2 needs to be televised or fully cleaned. I'm not sure  
3 what we did in this particular situation.

4 Q. But you saw where he testified it had happened  
5 twice?

6 A. I don't know whether the second time had  
7 anything to do with him not notifying us the first time.  
8 I don't know what we did the first time.

9 Q. But having two sewage block-ups into your tub  
10 within a year's time, that would be an issue, wouldn't  
11 it?

12 A. I would say if he had notified us, and we had  
13 responded and responded improperly so that the same  
14 thing happened again, that would be an issue, yes.

15 Q. Just having a sewage block one time to that  
16 extent, would you agree that would bother most people?

17 A. Yes.

18 Q. Okay. Did you see the water that some of the  
19 customers brought to the hearings?

20 A. When you gave your opening statement today was  
21 the first time that I saw that particular exhibit.

22 Q. All right. The picture of this is in Exhibit  
23 37, one of the pictures in there. Would you agree that  
24 most people would find that water quality to be  
25 unacceptable?

1           A.    I would agree that most people would find that  
2 water unacceptable. I would also say that that is not  
3 representative of the water that we supply our customers  
4 most of the time, most of our customers. Discolored  
5 water does occur. It is one of the things that we  
6 track. We track lab service orders for discolored  
7 water, and discolored water can occasionally occur as a  
8 result of line breaks, flushing activities, somebody  
9 operating a hydrant. There are many potential causes.

10           Q.    Did you see that there were a number of people  
11 in different areas that testified similarly that they  
12 had similar problems, even though they didn't bring  
13 their water to the hearing with them?

14           A.    As I said, we track discolored water calls,  
15 and we treat them seriously. We treat them as one of  
16 the indicators of whether customers are satisfied with  
17 water quality, or in this particular case dissatisfied  
18 with their water quality, and it's actually one of the  
19 metrics that we use to assess the effectiveness of our  
20 secondary aesthetic water quality improvement programs  
21 where one of the drivers for that program may have been  
22 discolored water, discolored water occurrences.

23                    I really think -- I take exception with two  
24 things. One of the exhibits that you provided you  
25 identified as a sample from a customer's water heater.

1 And it's not unusual for customers, if they drain their  
2 water heater, to be able to find discolored water in the  
3 water heater. That's not always the water utility's  
4 responsibility, and to represent a sample taken from a  
5 customer's water heater as representative of what is  
6 being delivered to the water -- to the customer, I think  
7 is misrepresentation. I would also like to --

8 Q. I did not say, did I not, that that was from a  
9 wastewater -- from a hot water heater?

10 MR. MAY: I think the lawyer is arguing with  
11 the witness here. I object.

12 MS. BRADLEY: I'm just asking a question. He  
13 said I was misleading, and I want to make sure that he  
14 understood and heard me say that that was from a  
15 wastewater -- I mean, a hot water heater.

16 CHAIRMAN GRAHAM: I will allow the witness to  
17 editorialize until you object. And he was just talking,  
18 and you can stop him from just rambling on, if you would  
19 like to do that. If you like to ask him another  
20 question, you can do that, as well.

21 MS. BRADLEY: Thank you, sir. I'm glad to  
22 know you will sustain those objections.

23 BY MS. BRADLEY:

24 Q. Sir, you talked about discolored water. Do  
25 you also track -- I mean, it looks like -- I don't know

1 whether you can see it from where you are sitting, but  
2 stuff floating in there. Do you track that, as well?

3 A. I cannot. I can't see what you are -- what's  
4 in the bottle.

5 MS. BRADLEY: May I approach?

6 CHAIRMAN GRAHAM: Sure.

7 MR. MAY: Mr. Chairman, I'd like to register,  
8 I guess, an ongoing objection here. I don't think any  
9 groundwork has been laid as to where the water came from  
10 or where the water has been since it was obtained and  
11 placed in a bottle. And for her to continue to question  
12 the witness without providing some kind of background  
13 and foundation so that he can respond intelligently and  
14 accurately, I'm not sure where this line of questioning  
15 is really advising or informing anyone.

16 MS. BRADLEY: I'm terrible sorry,  
17 Mr. Chairman. I thought Mr. May was at the hearing when  
18 we took those. And I know Commissioner Brown and  
19 Commissioner Brisé and I believe Commissioner Balbis was  
20 at the same hearing. That was water that is part of  
21 Exhibit -- I believe it is 37. That we also entered  
22 pictures of in the water -- I mean, in the exhibits.  
23 And they were produced by a customer who testified she  
24 had taken them, as I indicated, one from the hot water  
25 heater and the other two from faucets.

1           **CHAIRMAN GRAHAM:** Well, I guess the question I  
2 have, and I was going to let the witness answer  
3 questions as long as Mr. May was going to let him answer  
4 the same questions. The problem I have with the  
5 examples that you have, the exhibits that you have is  
6 you don't know if this came from standing water out of  
7 somebody's driveway or wherever they happened to scoop  
8 it from.

9           So unless our staff went out there and took  
10 the sample, or unless your staff, or you went out there  
11 and took the sample -- he can answer the questions as  
12 long as he chooses to answer the questions, but for him  
13 or for you to represent that this is actually from his  
14 system, you know, you guys are taking that on faith.

15           **MS. BRADLEY:** Well, actually, it was from a  
16 witness who was sworn before the hearing started and  
17 testified under oath that she took that from her  
18 faucets.

19           **CHAIRMAN GRAHAM:** My next door neighbor, the  
20 five-year-old, has promised he has never kicked my dog.  
21 I mean, ma'am, I'm just telling you that unless somebody  
22 grabbed the sample -- unless you grabbed the sample, you  
23 can ask the questions all day long and he can answer  
24 them all day long, but if he says I don't know that that  
25 is my water sample, then he is saying he doesn't know

1 that is his water sample. He hasn't said that yet.  
2 Mr. May made that objection, and that's where we  
3 currently are.

4 Now, that objection on the floor, he says  
5 there is no proof that that is his water sample. Now,  
6 you can go and show him this and say does this look like  
7 something you would serve, and he could say that's not  
8 something I would serve, but I would say this is not  
9 something that I have served. I heard him say that once  
10 already. I don't know what point you're trying to get  
11 to.

12 **MS. BRADLEY:** I'm just trying to ask him if he  
13 considers that acceptable. And if they track that, I  
14 believe was my question, if they tracked the incidents  
15 of material floating in the water?

16 **CHAIRMAN GRAHAM:** Well, I believe he has  
17 asked -- not necessarily that sample you put in front of  
18 him, but he has already answered the question that he  
19 doesn't see it is acceptable, and that is not  
20 representative of something that we provide to our  
21 customers on a regular basis. And he also spoke to the  
22 sample that came out of the hot water heater. Is there  
23 a point that you need to get to?

24 **MS. BRADLEY:** I asked him about the first  
25 sample. He made the comment that you have emphasized.



1 He said that they tracked discolored water. I asked him  
2 if they also tracked sediment or material floating in  
3 the water, and that's what he was looking at, the water,  
4 and I was waiting for an answer from him.

5 **CHAIRMAN GRAHAM:** And that's when the  
6 objection came from Mr. May saying that we don't know  
7 that that is water that actually came out of our system.

8 **MS. BRADLEY:** Well, I think --

9 **CHAIRMAN GRAHAM:** You can ask the question do  
10 you track things floating in your water? And, sir, you  
11 can answer that question.

12 **THE WITNESS:** Okay. The bottle that has been  
13 provided to me to examine appears to have in it a brown  
14 flock, we would call it. It looks like it would be  
15 consistent with iron oxide or rust. We would call this  
16 a discolored water sample, and it would be  
17 representative of something that a customer might  
18 complain about, would complain about discolored water,  
19 and we would try to address this. This would not be  
20 considered to be acceptable for water that we would  
21 provide to customers.

22 I can tell you that, from our experience,  
23 there are many things that can cause discolored water  
24 within somebody's home. If somebody has galvanized  
25 piping, they can get a water sample very much like this.

1 It has nothing to do with the water that is provided at  
2 the street.

3 **BY MS. BRADLEY:**

4 Q. Did you read enough of the hearings to know  
5 whether or not there were a number of people that  
6 complained about sediment and discolored water at the  
7 service hearings?

8 A. Yes, I did. I also track the lab service  
9 orders on a monthly basis for all of Florida, and I know  
10 that there are people that complain about discolored  
11 water. I also know that those -- the number of those  
12 complaints has gone down. And when I hear you say in  
13 your opening statement that there has been no  
14 improvement in water quality, after what we have done  
15 with the secondary water quality, aesthetic water  
16 quality improvement program and the tracking that we  
17 have done, I find that objectionable.

18 **MS. BRADLEY:** Did you -- I'm not going to  
19 argue with you. I think the record speaks for itself.  
20 I have no further questions.

21 **CHAIRMAN GRAHAM:** Thank you.

22 YES.

23 **CROSS EXAMINATION**

24 **BY MR. CURTIN:**

25 Q. Good afternoon, sir. You're a licensed

1 engineer in Pennsylvania?

2 A. Yes, I am.

3 Q. You have no licenses in Florida, correct?

4 A. That's correct.

5 Q. You live in Pennsylvania?

6 A. Yes, I do.

7 Q. You work in Pennsylvania?

8 A. Yes, I do.

9 Q. And you have worked for Aqua for 27 years?

10 A. Yes.

11 Q. You had never visited the Arredondo Farms Park  
12 once in those 27 years?

13 A. As I said in my deposition, I have never been  
14 there. I am actually planning to go there this week,  
15 depending on when these hearings end.

16 Q. So after our deposition where we asked  
17 questions about whether you have ever visited there, and  
18 you said no. Then when did you plan your planned trip  
19 to Arredondo Farms?

20 A. I am planning to make the most out of the  
21 couple of days that are -- between Friday and the  
22 restart of hearings next week, if I can, to visit as  
23 many of these places as I can.

24 Q. And you have never tasted the water or  
25 actually seen the water at Arredondo Farms?

1           A.    I have not.

2           Q.    Now, you talked a lot in your five-minute  
3 summary of your speech and in the cross-examination that  
4 has already been taken about the secondary water quality  
5 program, the aesthetic water quality program. That  
6 started in 2008, correct?

7           A.    Correct.

8           Q.    That started as part of the first rate case,  
9 correct?

10          A.    That's correct.

11          Q.    It was actually compelled by the first rate  
12 case, correct?

13          A.    Yes.

14          Q.    Prior to that you had no aesthetic or  
15 secondary water quality program?

16          A.    That's not true. As I said, we had a  
17 mechanism for tracking water quality complaints. We  
18 would react to water quality complaints. It was not a  
19 formalized program, as was developed through the  
20 aesthetic water quality improvement program. But  
21 decisions about installation or improvement of water  
22 treatment, modifications of wells, replacement of wells,  
23 replacement of distribution system piping are always  
24 influenced by water quality complaints from customers  
25 and the record of water quality complaints from

1 customers.

2 Q. Well, tell me specifically, what secondary  
3 aesthetic issues had you attempted to address at  
4 Arredondo Farms prior to 2008?

5 A. For the drinking water program, none, because  
6 there have been no exceedances of even secondary  
7 standards at Arredondo Farms. There is no iron; there  
8 is no manganese; there is no hydrogen sulfide. There  
9 have been no THM exceedances. There is no exceedance of  
10 the SMCL for fluoride.

11 Q. The answer is, no, you haven't addressed any  
12 aesthetic or secondary problems prior to 2008 at  
13 Arredondo, correct?

14 A. That's correct.

15 Q. And since 2008, since that first rate case,  
16 you haven't -- you put Arredondo on the second tier, but  
17 you haven't done anything with that second tier of your  
18 aesthetic program, correct?

19 A. That's correct.

20 Q. Okay. So when you say -- if you turn to your  
21 Direct Testimony at Page 4, Line 18 to 21, AUF has a  
22 strong commitment to customer service and is dedicated  
23 to attempting to address customer satisfaction as shown  
24 by, among other things, its ongoing efforts to improve  
25 the aesthetic quality of water for its customers.

1           Other than the 2008 aesthetic water program,  
2           which is part of the first rate case, as far as  
3           Arredondo Farms, you can't point to anything you have  
4           done to address aesthetic or secondary water quality  
5           issues?

6           A.    That's absolutely not true.  One of the  
7           drivers for everything that we did at Chuluota was the  
8           secondary water quality in addition to the total  
9           trihalomethane primary MCL exceedance.

10          Q.    Chuluota is not Arredondo Farms, is it?

11          A.    That is correct.

12          Q.    Now, when Arredondo Farms was put on the  
13          second tier, you haven't figured out -- you have no  
14          funds to pay for that second tier of your aesthetic  
15          water quality program?

16          A.    We don't have a budget for a specific project,  
17          because it is premature to determine whether exactly  
18          what it is that we are going to do here.

19          Q.    Well, any improvements that you do to  
20          Arredondo Farms for the second tier of your aesthetic  
21          water program to address hardness issues and other  
22          secondary issues that Arredondo Farms may have will be  
23          paid for by a future rate case, correct?

24          A.    That's correct.

25          Q.    So you are asking this Commission to give you

1 a rate increase for your quality, and then you are  
2 planning to come back for another rate increase to pay  
3 for that quality program?

4 A. We are asking this Commission to allow us  
5 recovery of capital expense that we have incurred to  
6 address issues at all of the systems, the 60 water  
7 systems and 27 wastewater systems that are part of this  
8 case. We have not invested any capital yet at Arredondo  
9 Farms. If there is a capital investment in the future  
10 to address hardness, specifically at Arredondo Farms, we  
11 would expect it to be covered in a future rate case.

12 Q. And you knew about hardness issues when you  
13 purchased the system at Arredondo Farms?

14 A. Well, as a matter of fact, I testified at the  
15 last rate case, and I don't recall the issue of hardness  
16 at Arredondo Farms coming up at all. So there would  
17 have been no way for me to know prior to our acquisition  
18 of the Arredondo Farms system in 2003 as part of a large  
19 AquaSource acquisition that hardness was an issue in  
20 2003 if it wasn't even brought up in the rate case in  
21 2008.

22 Q. So in your summary, your five-minute summary,  
23 when you talked about the 1996 water, about complaints  
24 for hardness, you didn't look at the prior orders of  
25 this Commission prior to purchasing Arredondo Farms?

1           A.    We did not look at the rate order of 1996 at  
2 that time.

3           Q.    And you didn't do any testing of the water for  
4 aesthetic issues prior to purchasing Arredondo Farms?

5           A.    We did not.

6           Q.    Now, at Arredondo Farms you inject sodium  
7 hypochlorite into the water, correct?

8           A.    That's correct.

9           Q.    That's basically a bleach solution, correct?

10          A.    That's correct.

11          Q.    Do you inject it right as it comes out of the  
12 well and into the pipes?  Where do you inject it?

13          A.    We injected it from between the well and the  
14 distribution system.

15          Q.    And then it goes directly into the  
16 distribution system?

17          A.    Yes.

18          Q.    So it's a closed point of application?

19          A.    Yes.

20          Q.    Okay.  Now, isn't it true that sodium  
21 hypochlorite when you use that, that can increase the pH  
22 of the water, because it is made of caustic soda,  
23 basically, sodium hydroxide?

24          A.    It is not made up of sodium hydroxide.  It is  
25 actually a co-product of the production of sodium



1 hypochlorite and sodium hydroxide from the electrolysis  
2 of salt.

3 Q. A sodium hypochlorite solution is at a high  
4 pH, correct?

5 A. That is correct.

6 Q. And that high pH can promote scaling, calcium  
7 carbonite formations if it's hard water, correct?

8 A. Not in the system, but it can actually at the  
9 point of injection, where the concentration of the  
10 hypochlorite that is added is highest, cause scaling at  
11 the injector.

12 Q. And it could cause scaling at the injector,  
13 especially when it's in a closed point of application  
14 instead of an open point of application, correct?

15 A. It really doesn't make any difference.

16 Q. It doesn't make any difference. Have you ever  
17 smelled water when you inject this -- when we are  
18 talking about a hardness issue and the calcification  
19 encrustations that are caused by hardness, that is  
20 because the minerals are in the water and it  
21 precipitates out of the water, correct?

22 A. The minerals are in the water as it occurs  
23 naturally in groundwater. The groundwater is actually  
24 supersaturated with calcium carbonate.

25 Q. And the injection of sodium hypochlorite could

1 biologically and chemically change the water and make  
2 that a higher pH, which would promote the precipitation  
3 of those chemicals out of the water.

4       A. The application of bleach or sodium  
5 hypochlorite would not have -- would only have a  
6 beneficial biological effect by killing any bacteria  
7 that were in the water. It can increase the pH very,  
8 very slightly. And what I tried to explain is that you  
9 are adding three or four milligrams per liter of --  
10 that's parts per million of bleach. It has a very, very  
11 small impact on the pH and the saturation of the bulk  
12 water. But at the point of application, where the  
13 concentration is highest before it diffuses into the  
14 pipe, it can cause scaling.

15       Q. And that scaling could cause clogs in the  
16 pipes?

17       A. No, the scaling will cause clogs in the  
18 injector which will have to be removed, cleaned, and put  
19 back in.

20       Q. Well, how about when it reaches the ultimate  
21 consumer, could there would be scaling issues on, say,  
22 their plumbing fixtures, their hot water heater  
23 fixtures, their coffee machines, things of that nature?

24       A. Any water that has a hardness composition that  
25 is supersaturated with calcium carbonate has the

1 potential to cause scaling on all of those things you  
2 just described.

3 Q. And have you seen that scaling at Arredondo  
4 Farms?

5 A. I have not. I have seen pictures of some of  
6 the scaling.

7 Q. And do you realize that some individuals may  
8 have medical issues where they may have an oxygen  
9 machine or other medical device that needs water in  
10 order to breathe or otherwise provide them medical  
11 assistance, and that water could clog up those devices?

12 A. If somebody were to have a medical device that  
13 needed water to operate, where scaling could be a  
14 problem, that hard water supersaturated with calcium  
15 carbonate could cause that kind of an issue.

16 Q. And do you know if that has happened at  
17 Arredondo Farms?

18 A. I do not.

19 Q. Now --

20 A. Let me just say that I don't know how much  
21 water such a machine would use, but there are rather  
22 simple solutions in a rather critical application like  
23 that that would allow that machine to be used with the  
24 water that exists. A small demineralizer or a softener  
25 just for that particular instrument would solve that

1 issue.

2 Q. And you, as a water engineer may know that,  
3 but individuals living at the mobile home park may not  
4 know that. Do you know their level of education, what  
5 they may know or not know, and what they may have to add  
6 to their oxygen machine to keep it from being clogged?

7 A. No. We wouldn't mind at all, we would  
8 encourage any customer with a specific issue like that  
9 to call us and we could share with them whatever  
10 expertise we have.

11 Q. Now, have you ever attempted to put any sort  
12 of sequestration agent into the water?

13 A. Have we ever -- excuse me. Have we ever --

14 Q. Have you ever attempted or looked into putting  
15 any sequestration agent into the water?

16 A. At Arredondo Farms specifically?

17 Q. Yes.

18 A. It is one of the options that we are  
19 considering among several that we would be discussing as  
20 part of the secondary water quality improvement program,  
21 the second tier. That is one option.

22 Q. Okay. And that could be what is called  
23 hexametaphosphate? Am I pronouncing that correct?

24 A. Sodium hexametaphosphate.

25 Q. And that agent could -- it doesn't take the

1 hardness out, but it mitigates the effects by preventing  
2 the hardness, the calcification from precipitating out  
3 of the water?

4 A. Depending on the distribution of minerals and  
5 the properties of the water, it could provide some small  
6 mitigating effect of the effects of hard water.

7 Q. As we sit here today, you haven't done any  
8 analysis or attempted to use hexametaphosphate or any  
9 other sequestering agent to see if it would mitigate  
10 the effects of the hardness at Arredondo Farms?

11 A. We have not.

12 MR. CURTIN: No further questions for this  
13 witness.

14 MR. RICHARDS: Thank you.

15 CROSS EXAMINATION

16 BY MR. RICHARDS:

17 Q. I just want to talk to you briefly about the  
18 Palm Terrace system. On Page 10 of your prefilled  
19 testimony, you mentioned this force main pipe that  
20 traversed a concrete apron. Have you been on site at  
21 Palm Terrace?

22 A. I have not.

23 Q. Okay. Now, when you say traverse, are you  
24 aware that this pipe is above ground?

25 A. Yes. Well, it was above ground. It has been

1 replaced.

2 Q. Right. Do you remember when that was, when it  
3 was replaced, placed under ground?

4 A. August of this year.

5 MR. RICHARDS: Okay. No further questions.

6 CHAIRMAN GRAHAM: Staff.

7 MR. JAEGER: Staff has just a couple.

8 CROSS EXAMINATION

9 BY MR. JAEGER:

10 Q. Were you here and did you hear Ms. Bennett  
11 questioning Mr. Szczygiel this morning and this  
12 afternoon?

13 A. Yes.

14 Q. And I think she asked him a question about a  
15 cost study, what cost analysis study was done for meter  
16 replacements. Do you remember that question?

17 A. I do remember the question.

18 Q. Do you remember that he either said he didn't  
19 know or he might punt that to you?

20 A. I don't believe that was the one he was going  
21 to punt to me.

22 Q. Okay.

23 A. It's not my area of expertise.

24 Q. But you don't know if there has been a cost  
25 study analysis done for meter replacements, then?

1           A.    I do not.

2           **MR. JAEGER:**  Mr. Chairman, I have an exhibit  
3 number I would like to have identified.  I think the  
4 next one is 297.

5           **CHAIRMAN GRAHAM:**  Sounds good.  Do you have a  
6 short title for it?

7           **MR. JAEGER:**  Yes.  It is Luitweiler Deposition  
8 Exhibits 1 through 8.

9           **CHAIRMAN GRAHAM:**  Okay.

10          **MR. JAEGER:**  And the parties have all  
11 stipulated to all of these exhibits coming into the  
12 record, so I don't believe I really need to  
13 cross-examine or do anything more.  I just want to have  
14 that moved into the record, when we are done with  
15 Mr. Luitweiler.

16          **CHAIRMAN GRAHAM:**  Okay.

17          **MR. JAEGER:**  That's all staff has for  
18 Mr. Luitweiler.

19          **CHAIRMAN GRAHAM:**  Commissioners, questions for  
20 this witness?

21                   Commissioner Brown.

22          **COMMISSIONER BROWN:**  Yes.  Thank you, Mr.  
23 Chairman.  I have a few questions.

24                   Regarding boil-water notices, what is the  
25 current policy that the company employs?

1                   **THE WITNESS:** We comply with the DEP, the  
2 Florida DEP, or the Department of Health requirements  
3 for issuing precautionary boil-water notices. These are  
4 usually required when there is a loss of pressure,  
5 either a complete loss of pressure or a loss of pressure  
6 down to below 20 psi. In most cases, these are related  
7 to things like localized main work, replacing a valve or  
8 a main break. And if the break or the work can be  
9 isolated, it's limited to a small number of customers,  
10 and that's handled with door tags, door hang tags.

11                   In other cases, if there is a large water main  
12 break affecting many hundreds or thousands of customers,  
13 notification is a little bit more difficult, and we may  
14 do that either with door tags, if there's enough  
15 manpower available. We also have available a call  
16 campaign, a telephonic campaign system called Swift  
17 Reach, where we can pull the phone numbers from our  
18 customer information system and launch phone campaigns.  
19 We can reach thousands of phone numbers in a matter of a  
20 couple of minutes.

21                   As I have said in my testimony, and I think in  
22 my rebuttal testimony, no single notification system is  
23 perfect. When you are trying to do notifications with  
24 door tags or with 8-1/2 by 11 sheets of paper, and it's  
25 storming they can get wet, they can blow away, although



1 there was some insinuation, you know, that that is a  
2 myth. But, you know, think about it. It does happen.  
3 We post notices sometimes on what appears to be  
4 somebody's front door, and it turns out that they come  
5 in through their garage, and they don't see the notice  
6 for two or three days, and they are angry because they  
7 weren't notified.

8           So we really found that the phone system is  
9 probably the best way to reach people, but we don't have  
10 phone numbers for everybody, and everybody isn't home,  
11 and not everybody has an answering machine. So there  
12 are people who do not get notified when we use the phone  
13 system.

14           So we use -- in some cases we have used a  
15 combination of both. We have lists. We can pull a list  
16 of the number, the accounts for which we do not have  
17 phone numbers and hand-deliver notices to those people,  
18 and then call all of the other people. We still miss a  
19 few, but that's probably about the best way that we have  
20 for notification of these precautionary boil-water  
21 notices.

22           I would like to say that there were in some of  
23 the opening statements some implication that  
24 notification of these precautionary boil-water notices,  
25 if it was not perfect, if we missed somebody, left in

1 the minds of a customer who had consumed some of the  
2 water the potential that they had consumed contaminated  
3 water. And I just want to emphasize again that these  
4 precautionary boil-water notices are precautionary.  
5 There is no actual evidence of contamination. They are  
6 not arising out of actual contaminants found in the  
7 water, but just the fact that there is a remote  
8 possibility of contamination.

9 The way they are lifted is we have to take two  
10 sets of samples on two consecutive days, and it takes 24  
11 hours to process the samples. So it always takes a  
12 minimum of two days before we can lift a boil water  
13 notice. And in almost every case the results of that  
14 sampling have shown that there is no contamination. So  
15 you'd like to be able to say that the notification is  
16 perfect, but people need to get a grip on what the real  
17 risk is from a precautionary boil-water notice.

18 **COMMISSIONER BROWN:** Who determines the notice  
19 mechanism, which type of notice will be provided to the  
20 customer?

21 **THE WITNESS:** Well, if we have time we will  
22 try to consult either the Department of Health or the  
23 Florida DEP and tell them what our options are, the area  
24 that is affected, and try to work with them. We will  
25 usually suggest a method of doing it. That's not always

1 possible. Sometimes a water main break occurs at 7:00  
2 or 8:00 o'clock at night, or we find -- you know, we  
3 think we can isolate a break. We can't isolate the  
4 break. Now we know there is a larger area affected.  
5 That decision is made at 8:00 or 9:00 o'clock at night.  
6 We can't always reach somebody to consult, so we'll make  
7 that decision based on availability of manpower,  
8 availability to get the notices out, and availability to  
9 make the telephonic notification, if that is an option.

10 **COMMISSIONER BROWN:** Is it Aqua's position  
11 that it has complied with DEP rules regarding boil  
12 notices during the test year?

13 **THE WITNESS:** I can't say that we have  
14 complied completely 100 percent of the time in every  
15 case. I think our compliance has been very good. Many  
16 times these decisions are made at the operator level.  
17 The operator is out there, you know, in the middle of  
18 the night trying to fix a break. He has got a bunch of  
19 boil-water tags. He tags the homes. Can I say for sure  
20 that in every case where there has been a water main  
21 break we have gotten a tag on every home, I can't say  
22 that.

23 **COMMISSIONER BROWN:** During those service  
24 hearings we heard a lot about meter-reading issues,  
25 various complaints from different segments. Is the

1 company aware of any technical or flawed meter equipment  
2 issues with its meters?

3 **THE WITNESS:** I'm not, but I'm really not the  
4 person who would be best to testify to that.

5 **COMMISSIONER BROWN:** Who would?

6 **THE WITNESS:** Probably Sue Chambers or Troy  
7 Rendell.

8 **COMMISSIONER BROWN:** Thank you. I'm getting  
9 done. Regarding the pro forma plant additions that were  
10 a result of the Phase II Monitoring Plan, I'm assuming  
11 that there are pro forma plant additions that the  
12 company is requesting recovery in its rate base, is that  
13 correct?

14 **THE WITNESS:** That's correct.

15 **COMMISSIONER BROWN:** Can you go through those  
16 in terms of dollar amounts?

17 **THE WITNESS:** I'll be glad to do that as best  
18 I can. I will go through, if it's all right with you,  
19 the ones that are protested, rather than all of the pro  
20 forma.

21 **COMMISSIONER BROWN:** Yes.

22 **THE WITNESS:** Okay. For Lake Josephine, we  
23 are requesting \$177,679.89. For Sebring Lakes,  
24 \$195,079.61. For Leisure Lakes, \$105,799.04. Those are  
25 the three protested pro forma additions that relate

1 specifically to the secondary water quality projects.

2 **COMMISSIONER BROWN:** Okay. Thank you. And  
3 also, regarding Jasmine Lakes, during the service  
4 hearing we heard customer testimony about red water that  
5 occurred in September of 2011 in the Jasmine Lakes area.  
6 Can you possibly address this issue?

7 **THE WITNESS:** I would have to consult our  
8 records to see exactly what was going on, but I recall  
9 that there was an issue with either flushing or somebody  
10 using a hydrant in that community that caused a cluster  
11 of discolored water calls in September.

12 **COMMISSIONER BROWN:** Did the company incur a  
13 warning letter as a result of that event from DEP?

14 **THE WITNESS:** No. DEP did not require a  
15 warning letter. That is not the kind of situation that  
16 would require a warning letter.

17 **COMMISSIONER BROWN:** In sum, I guess, how many  
18 warning letters has the company received from  
19 environmental compliance regulatory authorities during  
20 the test year?

21 **THE WITNESS:** I don't have that number. I  
22 have testified to specific ones. There have been a few  
23 others mentioned here that I would have to go back and  
24 look through our records to give you an accurate number.

25 **COMMISSIONER BROWN:** Okay. Thank you.

1           **MR. MAY:** Commissioner Brown, I think he'll be  
2 back up for rebuttal, and he will certainly have that  
3 information for you at that time.

4           **COMMISSIONER BROWN:** Thank you, Mr. May.

5           **CHAIRMAN GRAHAM:** Commissioner Balbis.

6           **COMMISSIONER BALBIS:** Thank you, Mr. Chairman.  
7 One or two quick questions.

8           In the information that was provided and  
9 entered into the record and, also, the testimony that  
10 was given during the customer meetings, would you agree  
11 that most of the water quality issues were what you  
12 would expect with water that has a high hardness?

13           **THE WITNESS:** No, not necessarily. I really  
14 think from what I have seen of the testimony from  
15 Arredondo Farms that is the case, but not in general.  
16 The other complaints are, you know, discolored water  
17 calls, taste and odor calls. Those really are mostly  
18 associated with iron, manganese, or hydrogen sulfide.

19           **COMMISSIONER BALBIS:** Okay. Then let's focus  
20 a little bit on those utility systems that did have high  
21 hardness. And the question is Aqua as a whole  
22 nationwide, although there aren't primary water quality  
23 standards for hardness, there is an aesthetic issue that  
24 customers can deal with and not deal with. Do you  
25 establish your own standards, if you will, where

1 although there may not be a requirement, this is  
2 something that Aqua would like to move forward with  
3 correcting, or is it based solely on customer  
4 complaints?

5           **THE WITNESS:** Well, we do not have an internal  
6 standard or goal for hardness. We operate 1,400 water  
7 systems across the country. The hardness varies  
8 tremendously. The expectations of the customers  
9 relative to hardness varies tremendously, so we do not  
10 have a one-size-fits-all policy or solution as to when  
11 we soften water and to what level we soften water, if we  
12 do soften water. But we do respond to customer  
13 complaints and concerns regarding hardness. And if  
14 there is an issue, we will work with the customers, the  
15 affected customers, with engineers, both in-house and  
16 consulting engineers to try to come up with the most  
17 cost-effective solution.

18           In Florida, and really Florida is the only  
19 place where we have developed this secondary water  
20 quality initiative process of really trying to engage  
21 the customers in coming to the optimum solution. In  
22 many other places it is more of a, you know, we will  
23 make the engineering decision and do what we think is  
24 the right thing and expect recovery from the  
25 commissions.

1                   **COMMISSIONER BALBIS:** And then for Arredondo  
2 Farms, which has had complaints about high hardness, at  
3 least the customers there have, how does that hardness  
4 level compare to the other 1,400 systems?

5                   **THE WITNESS:** It's probably in the upper  
6 10 percent, but it's definitely not at the top.

7                   **COMMISSIONER BALBIS:** Okay. And my last  
8 question. There were several customers that testified  
9 that the water quality has decreased over the past  
10 several years. Have you seen any indications that the  
11 water quality has decreased?

12                   **THE WITNESS:** I have not. Actually by  
13 tracking our water quality complaints, I have seen  
14 pretty convincing evidence that the water quality has  
15 improved. We know where we have made treatment changes,  
16 made changes in our flushing protocols that we have  
17 achieved substantial and demonstrable improvements in  
18 water quality.

19                   **COMMISSIONER BALBIS:** Okay. And one last  
20 follow-up question. In the previous order that was  
21 referenced, the '08 order, there are listed pro forma  
22 plant additions that were approved by the Commission.  
23 Are there any of those pro forma plant additions that  
24 have not been performed?

25                   **THE WITNESS:** In 2008. No, not to my



1 knowledge.

2 **COMMISSIONER BALBIS:** Okay. Thank you.

3 **CHAIRMAN GRAHAM:** I have a quick question for  
4 you. Since we're talking about Arredondo Farms, is  
5 there a reason why hypo is used as your selected biocide  
6 for that?

7 **THE WITNESS:** Well, the alternative is gaseous  
8 chlorine. Gaseous chlorine is less basic, so it could  
9 have the advantage of not causing scaling on the  
10 injectors, but it is also more dangerous. And generally  
11 as a company we have tried to move away from gaseous  
12 chlorine and used sodium hypochlorite wherever we can.

13 **CHAIRMAN GRAHAM:** Are you using hypo in all of  
14 your systems throughout the State of Florida?

15 **THE WITNESS:** No, there are still some that  
16 have gaseous chlorine.

17 **CHAIRMAN GRAHAM:** Are you using chlorine  
18 dioxide anywhere?

19 **THE WITNESS:** We are not using chlorine  
20 dioxide anywhere in Florida.

21 **CHAIRMAN GRAHAM:** What is the cost difference  
22 between the chlorine dioxide and the hypo?

23 **THE WITNESS:** Chlorine dioxide is more  
24 expensive. There is two problems with chlorine  
25 dioxide -- well, three problems. It's operationally a

1 little bit more difficult to manage. It produces a  
2 byproduct in the water of chlorite and chlorate, both of  
3 which are regulated by EPA and have to be monitored very  
4 closely. There is an actually an acute MCL for  
5 chlorate, I believe, which if it is exceeded would  
6 require 24 hours notification of the public that that  
7 level has been exceeded.

8 The other thing is that chlorine dioxide  
9 doesn't leave a residual disinfectant in the  
10 distribution system, and it's imperative that you have a  
11 residual disinfection. So it's a little bit like ozone  
12 in that ozone is a great oxidant, it's a great  
13 disinfectant, but there is no residual disinfection  
14 effect. So anybody who is using ozone for disinfection  
15 also has to use either chlorine, or chlorine gas, or  
16 sodium hypochlorite for disinfection in the distribution  
17 system.

18 **CHAIRMAN GRAHAM:** So for the most part the  
19 most cost-effective thing to be using in these systems  
20 would be hypo?

21 **THE WITNESS:** Yes.

22 **CHAIRMAN GRAHAM:** Do you have any problems  
23 with that stuff flashing off in the tanks, in the  
24 holding tanks?

25 **THE WITNESS:** No. It does decay over time,

1 and in very hot weather it does sometimes cause degas in  
2 the injection pump. And, again, the design and  
3 selection of the injection pump to try to minimize that  
4 is an important consideration. But, other than that, we  
5 don't have any problem with sodium hypochlorite.

6 **CHAIRMAN GRAHAM:** And if you guys were trying  
7 to -- well, let's go back to Arredondo Farms -- add  
8 something else to sequester the scaling, how much would  
9 that add to the price of the system?

10 **THE WITNESS:** Well, we haven't even done  
11 preliminary cost analysis of adding sodium  
12 hexametaphosphate or another sequestrant, a  
13 polyphosphate sequestrant. It wouldn't be terribly  
14 expensive, but there are considerations. First of all,  
15 how effective would it really be. And I'm not aware of  
16 many systems that are really effectively treating the  
17 effects of hardness with sodium hexametaphosphate. It  
18 also adds phosphorous to the treatment plant.

19 And, as you know in Florida nutrients are a  
20 big issue, and anything that increases nitrogen or  
21 phosphorous to a wastewater treatment plant will cause a  
22 treatment issue downstream. Since we operate the  
23 wastewater plant also, we have invested a tremendous  
24 amount of money in upgrading that wastewater plant, we  
25 wouldn't want to undo the work that we have done there

1 unknowingly to try to address the scaling issue. Those  
2 are all considerations that would go into selecting an  
3 optimum solution for the hardness of Arredondo Farms.

4 **CHAIRMAN GRAHAM:** One last question. Those  
5 other 1,400 facilities that you have, are there any  
6 regulatory agencies that have a standard for hardness?

7 **THE WITNESS:** None that I'm aware of.

8 **CHAIRMAN GRAHAM:** Okay. Commissioner Brisé.

9 **COMMISSIONER BRISÉ:** Thank you, Mr. Chairman.

10 I have a couple of questions for you. I will  
11 start with The Village water and wastewater system out  
12 in Lakeland, and I sort of want an update of where you  
13 are with that whole situation, and then that will lead  
14 down a path of questions depending on your answer.

15 **THE WITNESS:** Okay. In mid-October, late  
16 October, Tricia Williams and our state president, Rick  
17 Fox, met with Jeff Greenwell and his staff to discuss  
18 where we were with Village water. This is a very  
19 intractable issue. We are dealing with a small system  
20 with 48 industrial customers with ponds that have been  
21 used for disposal of the treated effluent. There is a  
22 wastewater treatment plant there, it is performing well,  
23 performing good quality effluent. The effluent is going  
24 to ponds. The ponds are cut -- they are old phosphate  
25 mines, so they are cut into the groundwater table, so

1 they are not constructed to the new -- the newest  
2 standards for percolation or high rate infiltration  
3 ponds.

4 Florida DEP would like us to find an alternate  
5 means of effluent disposal for this system, and we have  
6 actually identified two alternatives. One would be a  
7 force main for the treated effluent to go into a main  
8 operated by the City of Lakeland to the TECO electric  
9 generating station where the water would be used for  
10 cooling water for evaporative cooling. A very expensive  
11 solution, and the City of Lakeland has not given us firm  
12 terms on what they would charge us for capacity fees and  
13 commodity charge fees for using that.

14 We know that they are allowing another system  
15 to do that. We have suggested that we might be  
16 interested in those same terms. They have said, well,  
17 for you guys it might be a little more. That's kind of  
18 where we are in the negotiations. But we are talking  
19 about a quarter of a million dollars in capital expense,  
20 and probably -- well, a significant increase in  
21 operating expenses to be paid to the City of Lakeland  
22 for use of that line.

23 The other alternative, we have actually  
24 entered into a lease with a nearby property owner. We  
25 had an engineer evaluate the feasibility of putting a

1 spray field on that site. We originally thought we  
2 might be able to use a ten-acre portion of that site.  
3 The land was so bad for spray irrigation use and  
4 infiltration that it looks like we would have to use  
5 30 acres. We would be paying a very high land lease  
6 fee, and spending, again, upwards of three or \$400,000  
7 on developing -- clearing and developing a spray field  
8 here.

9           This is for 48 customers. The environmental  
10 impact of the status quo is negligible. We have treated  
11 effluent going into two ponds. We have made -- we have  
12 done several studies of those ponds which we have  
13 submitted to DEP. We have made several improvements on  
14 those ponds, all in the spirit of cooperation with DEP  
15 to try to get to a solution that would minimize any  
16 potential environmental impact. And DEP has recognized  
17 that work in granting a five-year permit to us a little  
18 more than a year ago. So we did get a permit for the  
19 status quo, but DEP wants us to continue to work down  
20 the path of coming up with an alternative solution.

21           At the meeting on, I think it was  
22 October 25th, several of the -- these two alternatives  
23 and their costs were presented to DEP, and several  
24 suggestions were made by some of the DEP staff  
25 including, you know, get an engineer to estimate what it

1 would cost to raise the berms of the ponds to increase  
2 the volume of the ponds so that there would never be a  
3 discharge. Never when you are in Florida where it can  
4 rain 10 or 15 inches in a day is a difficult standard,  
5 but we are going to take a look at that option. They  
6 also made a suggestion that we use some of the treated  
7 effluent for wash-down water on the plant. We actually  
8 thought that was a pretty good idea, but when we looked  
9 at how much water that was, it's 50 gallons a day. So  
10 we are going to do that, but it's a drop in the bucket.

11 So we are continuing to work with DEP on  
12 trying to find what would be a cost-effective solution  
13 here, but it is almost beyond comprehension spending  
14 10,000 or \$15,000 per customer to try to deal with a  
15 situation that really is not an environmental threat in  
16 the status quo.

17 **CHAIRMAN GRAHAM:** Did you say 48 customers?

18 **THE WITNESS:** Forty-eight industrial  
19 customers.

20 **COMMISSIONER BRISÉ:** That's really one of the  
21 reasons I asked the question, because there is such a  
22 high cost there for the number of customers. But moving  
23 on to another issue, since AUF has implemented or begun  
24 to implement its Phase II aesthetic water quality  
25 improvements, have you seen the number of complaints

1 with respect to aesthetics go down in the seven systems  
2 that have been looked at?

3 **THE WITNESS:** The seven systems are Phase I of  
4 the secondary water quality improvement programs, and,  
5 yes, we have seen a decrease in the number of water  
6 quality complaints from those systems.

7 **COMMISSIONER BRISÉ:** Okay. The last question  
8 I have for you has to do with the 300,000, or roughly  
9 \$300,000 that was spent on wastewater treatment efforts  
10 at Arredondo Farms when the system was, I guess,  
11 initially purchased. I guess my question is was there  
12 an awareness of the aesthetic issues there, and were the  
13 wastewater issues more pressing than the aesthetic  
14 issues at that time so that that investment was made in  
15 that direction versus in the other direction?

16 **THE WITNESS:** Well, this is interesting. It's  
17 almost like deja vu. This reminds me, I was here two  
18 years ago testifying in the 2008 case. I think there  
19 were hearings then, and there was discussion about  
20 Chuluota, and the exact same question was made. Why did  
21 you spend so much money on the wastewater plant and not  
22 on the water system? And I testified at that time that  
23 I was very proud of what we did at the wastewater plant.  
24 The wastewater plant was in terrible condition. And  
25 from an engineer's perspective, if you are going to fix



1 one thing first and then the second, I think that was  
2 the right decision.

3 It is always easy to second guess those kinds  
4 of decisions, but remember where we were in 2008. There  
5 were no water quality issues for Arredondo Farms being  
6 raised in that 2008 case. The wastewater plant was  
7 cited by DEP, and we were -- if we didn't get an  
8 administrative order or consent order, we were very  
9 close -- I think they actually did issue us an  
10 administrative order for that system as we were in the  
11 process of completely rebuilding that wastewater system.  
12 It was undersized, underdesigned, very poorly designed.  
13 Many engineering problems associated with that. An  
14 engineer back in Bryn Mawr who works for me, Mark Bubell  
15 (phonetic), really was instrumental in, kind of, trying  
16 to make maximum advantage of all of the tankage and  
17 equipment that was out there at the Arredondo Farm  
18 system to try to keep the cost under control.

19 You know, rebuilding or replacing a small  
20 wastewater system like this can be very expensive on a  
21 per gallon basis, and he's kind of an expert at trying  
22 to make the best out of what you have. We have done it  
23 on several other systems in other states. So to answer  
24 your question, in short, that was a system where we  
25 decided that the wastewater, the condition of the

1 wastewater plant was our first priority to fix, and we  
2 fixed it.

3 COMMISSIONER BRISÉ: Okay. Thank you.

4 CHAIRMAN GRAHAM: Mr. May, redirect.

5 MR. MAY: I was going to ask Mr. Luitweiler  
6 about the wastewater plant, but he took the words out of  
7 my mouth. So I have no redirect.

8 CHAIRMAN GRAHAM: Okay. Any exhibits to  
9 enter?

10 MR. JAEGER: Staff would move 297.

11 CHAIRMAN GRAHAM: Move 297.

12 Mr. May.

13 MR. MAY: We would move --

14 MR. JAEGER: It's 55 through 62 in the  
15 Comprehensive Exhibit.

16 MR. MAY: -- it's Mr. Luitweiler's Exhibits  
17 PL-1 through PL-8, which are designated as Hearing  
18 Exhibits 55, 56, 57, 58, 59, 60, 61, and 62.

19 CHAIRMAN GRAHAM: We will move Exhibits 55  
20 through 62 and Exhibit 296 into the record.

21 MR. JAEGER: 297.

22 CHAIRMAN GRAHAM: Which one was 297?

23 MR. JAEGER: 297 was the deposition exhibits  
24 for Luitweiler, and 296 was Szczygiel's Late-filed  
25 Exhibits 20 and 21.

1                   **CHAIRMAN GRAHAM:** 297. Okay.

2                   (Exhibit Numbers 55 through 62 and Exhibit  
3 Number 297 admitted into the record.)

4                   **CHAIRMAN GRAHAM:** Sir, we are currently done  
5 beating up on you for right now.

6                   **THE WITNESS:** Thank you.

7                   **CHAIRMAN GRAHAM:** Mr. May.

8                   **MR. MAY:** Mr. Chairman, can you give me one  
9 minute to get my things in order?

10                  **CHAIRMAN GRAHAM:** Sure. This sounds like a  
11 good time. Let's take a five-minute break.

12                  (Recess.)

13                  **CHAIRMAN GRAHAM:** Mr. May.

14                  **MR. MAY:** Thank you, Chairman Graham. With  
15 your permission, Aqua Utilities Florida would call its  
16 next direct witness, Ms. Susan Chambers.

17                                   **SUSAN CHAMBERS**

18 was called as a witness on behalf of Aqua Utilities  
19 Florida, and having been duly sworn, testified as  
20 follows:

21                                   DIRECT EXAMINATION

22 **BY MR. MAY:**

23                   Q. Ms. Chambers, have you previously been sworn  
24 in this proceeding?

25                   A. I have.

1 Q. And would you please state your name and your  
2 business address for the record?

3 A. Susan Chambers, 762 West Lancaster Avenue,  
4 Bryn Mawr, Pennsylvania 19010.

5 Q. And, Ms. Chambers, did you prepare and cause  
6 to be filed 19 pages of Direct Testimony in this case?

7 A. Yes, I have.

8 Q. Do you have that Direct Testimony before you  
9 today?

10 A. Yes, I do.

11 Q. Do you have any corrections to your testimony?

12 A. No, I do not.

13 Q. If I were to ask you the questions that are  
14 contained in your Direct Testimony today, would your  
15 answers be the same?

16 A. Yes, they would.

17 **MR. MAY:** Mr. Chairman, I would ask that the  
18 Direct Testimony of Ms. Chambers be inserted into the  
19 record as though read.

20 **CHAIRMAN GRAHAM:** We will insert Ms. Chambers'  
21 Direct Testimony into the record as though read.

22 **MR. MAY:** Thank you.  
23  
24  
25

AQUA UTILITIES FLORIDA, INC.

TESTIMONY OF SUSAN CHAMBERS

DOCKET NO. 100330-WS

**I. Introduction.**

**Q. Please state your name, position, and business address.**

A. My name is Susan Chambers. I am the National Customer Service Manager for Aqua America ("Aqua"). My business address is 762 W. Lancaster Avenue, Bryn Mawr, Pennsylvania 19010.

**Q. What are your duties and responsibilities as the National Customer Service Manager?**

A. I am responsible for serving the customers of Aqua Utilities Florida, Inc. ("AUF" or the "Company") in the areas of customer service and Call Center operations, including quality control.

**Q. Please describe your educational background and work expertise.**

A. I have worked for Aqua for 24 years. I have recently been appointed to the position of National Customer Service Manager. Prior to this appointment, I was the National Customer Billing Manager and took on that role in 2005. Prior to that, I have held several positions in Aqua's billing and accounting departments and became Aqua's billing manager in 2001. I have a B.S. degree in Accounting from Cabrini College in Radnor, Pennsylvania.

1 **II. Purpose and Summary of Testimony.**

2 **Q. What is the purpose of your testimony?**

3 A. I appear on behalf of AUF to discuss the Company's good customer service and  
4 its strategy for continuing to enhance customer service. I also discuss the  
5 Company's continuing commitment to address customer satisfaction.

6  
7 **Q. Are you sponsoring any exhibits to your direct testimony?**

8 A. Yes. I am sponsoring the following exhibits:

9 **Exhibit SC-1** - is a compilation of AUF's actions taken in response to  
10 customer comments made during prior hearings in this  
11 proceeding.

12 **Exhibit SC-2** - is AUF's detailed response to issues raised by a customer  
13 receiving service from AUF's Arredondo Farms system.

14 **Exhibit SC-3** - is AUF's Final Phase II Quality of Service Monitoring Report.

15 **Exhibit SC-4** - is AUF's Report on Commission Complaints - 2011.

16 **Exhibit SC-5** - is AUF's Report on Commission Complaints - 2009-2010.

17

18 **Q. Please summarize your testimony.**

19 A. AUF has a strong commitment to customer service. The Company is dedicated to  
20 anticipating and meeting the needs of its customers by effectively utilizing  
21 customer service representatives ("CSRs"), field technicians, and technology to  
22 enhance the quality of the service that AUF provides to its customers. AUF  
23 continues to listen attentively to the concerns of its customers and has  
24 implemented a number of significant proactive measures to address customer  
25 satisfaction.

1  
2 Since AUF's last rate case in Docket No. 080121-WS, AUF's customer service  
3 has been the focus of a rigorous and unprecedented monitoring review by the  
4 Commission, its Staff and the Office of Public Counsel ("OPC"). The results of  
5 that monitoring clearly show that AUF has good customer service and is  
6 committed to improving that service. No further action by the Commission is  
7 needed to ensure quality of service.

8  
9 **III. AUF's Commitment to Customer Service.**

10 **Q. Please describe AUF's commitment to customer service.**

11 A. AUF's mission is built around a strong commitment to customer service. We  
12 have a Customer Field Services Manager in Florida who manages all customer  
13 service functions between the Call Center, Billing and Customer Service. This  
14 includes service orders, billing issues, water quality issues, meter reading and  
15 customer interface. We have a Call Center dedicated to AUF-related calls, and we  
16 are committed to making sure that our CSRs are well trained to respond to  
17 customers in an effective, prompt and courteous manner.

18  
19 **Q. Has AUF taken steps since its last rate case to enhance the services it  
20 provides to customers?**

21 A. Yes. Since the last rate case, AUF has implemented a number of proactive  
22 measures to improve its customer service. For example:

- 23
- To identify trends or potential problem areas, and to appropriately resolve  
24 customer concerns, AUF has formed a "Complaint Analysis and  
25 Remediation Team" ("CART"), which consists of all Call Center

1 supervisors and their managers, as well as the Supervisor of Compliance.

2 The team meets on a monthly basis to address all escalated calls and to  
3 identify areas where further coaching and training are needed. When I use  
4 the terms "escalated calls" I refer to calls and communications received  
5 from customers requesting further review by either a supervisor or  
6 manager.

- 7 • AUF has refined the tracking of customer on-site meter and bench test  
8 procedures to make those tests more timely and efficient.
- 9 • To enhance customer responsiveness and efficiency, AUF has  
10 standardized its processes for its field technicians to improve the  
11 interactions between the field technicians and the Call Center.
- 12 • AUF prepared and provided an informational brochure to remind  
13 customers about contacting the Call Center when they leave or return to  
14 their Florida home. This proactive measure is helpful because many of  
15 AUF's customers use their Florida home as a second residence in the  
16 winter. The brochure was designed to encourage customers to contact the  
17 Call Center when they leave for the summer so that their account is  
18 properly noted as "seasonal."
- 19 • AUF developed a water conservation and leak detection informational  
20 section on the website. This can be found at  
21 <http://watersmart.aquaamerica.com>.

22 These are just some of the measures AUF has taken since the last rate case to  
23 improve its customer service. AUF is constantly looking for ways to enhance  
24 customer satisfaction.

25



1 **Q. Has AUF attempted to address proactively customer concerns raised at the**  
2 **customer meetings that previously took place in this proceeding?**

3 A. Yes. Between October 14, 2010, and November 18, 2010, AUF attended and  
4 participated in 9 customer meetings, at which time the customers were allowed to  
5 ask questions and provide input regarding AUF's quality of service. AUF  
6 listened attentively to all of those customer comments. AUF customer  
7 representatives reviewed every single issue raised during the public input  
8 hearings. Depending on the nature of the issue, AUF followed up with meetings,  
9 phone calls, meter tests, field visits and follow-up letters. In addition, AUF filed  
10 with the Commission a formal response to the customer comments from each of  
11 the meetings and from the May 24, 2011 Agenda Conference. Attached to my  
12 testimony as Exhibit SC-1 is a compilation of all of AUF's responses to the  
13 customer comments, which AUF has previously filed with the Commission.

14

15 **Q. Has AUF attempted to proactively address customer concerns raised in other**  
16 **forums?**

17 A. Yes. AUF filed a detailed response to concerns raised by a customer receiving  
18 service from AUF's Arrendondo Farms system, which is attached to my  
19 testimony as Exhibit SC-2. In addition, AUF has contacted this customer and will  
20 be meeting with the customer in the near future to discuss specific issues which  
21 the customer has raised.

22

23 **Q. What other steps has AUF taken to address customer concerns?**

24 A. Customer input is extremely important to AUF and the Company continues to  
25 take steps to address issues raised by customers at customer meetings. For

1 example:

- 2 • AUF has taken significant steps to address customer concerns with respect  
3 to the aesthetic quality of water. This is explained in detail in Mr.  
4 Luitweiler's direct testimony,
- 5 • Furthermore, in order to address customer requests for online payment  
6 options, AUF has developed a new program - Aqua Online - that allows  
7 utility customers to view and pay bills online. This new program is  
8 currently available to AUF's customers.
- 9 • AUF listened attentively to those customers who expressed concerns that  
10 their water service had been "shut off" for nonpayment. AUF is sensitive  
11 to these concerns and has a termination of service policy that is more  
12 consumer friendly than the service termination regulations set forth in  
13 Commission Rule 25-30.320(2), F.A.C.

14  
15  
16  
17 **Q. Please compare AUF's service termination policies with those set forth in the**  
18 **Commission's Rules.**

19 A. Under the Commission's Rules, a customer has 21 days to make a payment before  
20 being considered delinquent. Once an account becomes delinquent, those rules  
21 authorize the utility to terminate service for nonpayment for any amount past due,  
22 provided that the utility supplies the customer with at least 5 working days written  
23 notice in advance of termination. Under AUF's policy, the customer is provided  
24 at least 10 days advance written notice indicating that service will be discontinued  
25 if payment is not received. In addition to providing more advanced written

1 shutoff notice, AUF also attempts to call the customer prior to discontinuing  
2 service, which is not required by the Commission's Rules. Furthermore, unlike  
3 the Commission's Rules which allow for service to be terminated for failure to  
4 pay any amount of an outstanding bill, AUF's policy is to proceed with service  
5 termination only in those instances where the outstanding amount owed exceeds  
6 \$100. Furthermore, although not required by Commission Rules, AUF routinely  
7 offers a payment plan for outstanding bills for qualified customers. Qualified  
8 customers are customers who have not broken previous payment agreements more  
9 than twice. Finally, where service is terminated for failure to pay, AUF's policy  
10 is to reinstate service within the next business day following the date of payment  
11 confirmation.

12

13 **Q. Other than customer service meetings, are there other means by which the**  
14 **Company measures and monitors the quality of its customer service?**

15 A. Yes, AUF closely monitors the types of calls coming into its Call Center as well  
16 as the complaints filed at the Commission. AUF also utilizes its own quality of  
17 service metrics which are part of its robust quality assurance program.

18

19 **Q. Please provide examples of changes that were implemented as a result of the**  
20 **Company monitoring calls coming into its Call Center.**

21 A. Certainly. Since the last rate case, AUF has implemented a process where an alert  
22 message is placed on a customer bill if a customer has a high bill or the bill covers  
23 a period longer than 35 days. The high bill alert prompts the customer to  
24 investigate for potential leaks and visit Aqua's website for more detailed

1 information. The long period bill alert advises the customer that they can request a  
2 payment arrangement upon contacting the Call Center.

3  
4 In addition, in order to improve the CSR responsiveness and make sure that  
5 escalated calls coming into the Call Center are responded to in a timely fashion,  
6 AUF has developed an electronic work queue ("EWQ") that is used to monitor  
7 and track supervisor customer call backs. The EWQ is audited by the Quality  
8 Assurance Team, which is comprised of Senior CSRs.

9  
10 **Q. Please explain how AUF monitors the complaints filed with the Commission**  
11 **in order to ensure quality of service.**

12 A. AUF closely monitors the complaints coming into the Commission and  
13 categorizes the complaints in order to track and respond to root cause trends. For  
14 the first seven months of 2011 AUF averaged 10 complaints per month. By  
15 comparison, the average number of complaints filed regarding AUF in 2009 and  
16 2010 were 18 per month and 13 per month, respectively. This is shown in my  
17 Exhibit SC-5. As shown in my Exhibit SC-4, 56 out of 71 (79%) complaints in  
18 2011 were related to a high bill or billing dispute.

19  
20 AUF has acted promptly and properly to resolve the complaints filed at the  
21 Commission's Call Center. Indeed, all of the complaints filed during the Phase II  
22 monitoring period have now been closed.

1 **Q. Have you identified any trends in the volume of complaints that have been**  
2 **filed regarding AUF since 2007?**

3 A. Yes. In 2007 AUF averaged receiving 20 Commission complaints per month. In  
4 2011, that average has dropped to 10 complaints per month, which equates to a  
5 50% reduction in complaint volume. This decrease in complaints during this  
6 period is significant, particularly when one considers that over the same time  
7 frame AUF had initiated two rate cases, and customer complaints and inquiries  
8 typically increase around the time of a rate case. Although AUF is proud that the  
9 number of complaints has decreased over the last 4 years, AUF recognizes the  
10 importance of tracking formal complaints and will work hard to see the number of  
11 complaints continue to decrease even further.

12

13 **Q. You mentioned that AUF measures and monitors its service quality using its**  
14 **own metrics. Why doesn't AUF use the Commission's metrics?**

15 A. The Commission has not adopted its own standards to monitor or measure a water  
16 or wastewater utility's quality of service.

17

18

19 **Q. How does AUF employ its metrics to monitor and measure quality of service?**

20 A. AUF has been proactive in establishing its own quality of service metrics as part  
21 of a robust quality assurance program. A detailed discussion of those quality of  
22 service metrics and how AUF utilizes those metrics to improve service and  
23 address customer satisfaction is set forth in my Exhibit SC-3.

24

1 It is important to note that AUF did not establish these self-imposed metrics at  
2 easily attained levels so that it could simply justify the status-quo. Instead, AUF  
3 designed its metrics to challenge employees to stretch their customer service  
4 performance toward excellence. AUF's operations are guided by challenging  
5 targets which take into account that, while 100 percent perfection is not always  
6 achievable or cost effective, AUF's customers expect 100 percent reliability.  
7 AUF strives to provide 100 percent reliable customer service in all service  
8 categories. However, as with any water, gas, electric or telecommunications  
9 utility, 100 percent perfection is not always attainable. The fact that AUF has  
10 been proactive in adopting its own quality of service metrics, illustrates AUF's  
11 commitment to quality of service. Moreover, as shown in Exhibit SC-3, the  
12 results of those quality of service metrics demonstrate that AUF's service quality  
13 has steadily improved since its last rate case.

14  
15 **Q. You state that the quality of AUF's customer service has been the subject of**  
16 **rigorous monitoring by the Commission and others since the last rate case.**  
17 **Can you elaborate on that monitoring process?**

18 A. Yes. AUF last sought rate relief from the Commission in 2008. After conducting  
19 a formal hearing, the Commission determined that AUF's quality of service was  
20 marginal for all systems except the Chuluota System, which was found to be  
21 unsatisfactory. The Commission thereafter granted AUF rate relief for all of its  
22 systems, except for the Chuluota water and wastewater systems. In addition to  
23 granting rate relief, the Commission established a monitoring plan ("Initial  
24 Monitoring Plan") to enable it to monitor AUF's customer service in three areas:  
25 the general handling of customer complaints, the specific handling of complaints

1 at AUF's Call Center, and the accuracy of AUF's metering readings and resulting  
2 bills.

3  
4 ***Initial Monitoring Phase***

5 The Commission's Initial Monitoring Plan required AUF to file monthly reports  
6 on customer complaints, Call Center sound recordings, and meter reading logs  
7 and route schedules for the six-month period from May 2009 through October  
8 2009. Every call from an AUF customer that came into the Call Center during  
9 this time period was recorded and provided to the Commission Staff for review.  
10 AUF complied with the Commission's Initial Monitoring Plan in all respects.  
11 AUF timely submitted extensive complaint logs and Call Center sound recordings  
12 for each month, which allowed Commission Staff to objectively review first-hand  
13 all customer calls to determine the quality of service provided by AUF's CSRs.  
14 AUF also provided Commission Staff with all of its meter reading route schedules  
15 for the entire six month monitoring period along with the actual meter reading  
16 logs for all of those systems. This allowed Commission Staff to personally visit  
17 AUF systems soon after AUF's meter readers had completed their reads and  
18 documented the usage on the meter. Commission Staff compared its volumetric  
19 reads to the AUF meter reading log to independently test for meter and billing  
20 accuracy.

21  
22 At the end of that intensive independent review process, Commission Staff filed a  
23 detailed report and recommendation on March 4, 2010, which concluded that  
24 AUF's handling of customer complaints, meter reading, customer billing and  
25 environmental compliance was adequate.

1  
2 On March 16, 2010, the Commission considered Staff's recommendation and  
3 observed that its Staff had spent an extraordinary amount of time objectively  
4 reviewing the quality of AUF's customer service and further found that Staff's  
5 review of the actual CSR sound recordings was the most reasonable means to  
6 determine if AUF is performing adequately. The Commission went on to affirm  
7 that of the 738 total sound recordings reviewed, its Staff had independently  
8 determined that "the majority were handled in a courteous and professional  
9 manner and the representatives were taking the appropriate action to resolve all  
10 issues in the call." Order No. PSC-10-0218-PAA WS (April 6, 2010) at p. 6. The  
11 Commission also acknowledged that AUF had implemented a number of other  
12 measures to improve its customer service with respect to its Call Center, its field  
13 technicians and its customer outreach.

14  
15 The Commission ultimately concluded that the results of the Initial Monitoring  
16 Plan showed "**substantial improvement in AUF's customer service**, [but that]  
17 additional monitoring was required to ultimately render a determination as to the  
18 adequacy of AUF's quality of service." *Id.* at 12 (emphasis added).

19  
20 ***Phase II of Monitoring***

21 Recognizing that its Initial Monitoring Plan had imposed substantial cost and time  
22 requirements on utility Staff and Commission Staff, the Commission directed its  
23 Staff to continue to monitor AUF's customer service through the end of 2010 on a  
24 more limited basis. The Commission also ordered AUF to collaborate with the  
25 OPC and other parties to "develop a cost-effective, efficient, and meaningful



1 monitoring plan, and to bring the supplemental monitoring plan to us within 45  
2 days.” *Id.* at 13. Thereafter, AUF, OPC and the parties ultimately agreed to a  
3 proposed Phase II Monitoring Plan which eliminated the requirements that AUF  
4 produce sound recordings, meter reading information, and complaint logs, but  
5 continued a more limited monitoring of customer service and certain aesthetic  
6 water quality issues. To ensure that this Phase II Monitoring Plan was cost-  
7 effective and efficient, the reporting requirements specifically agreed upon by  
8 OPC and AUF were structured around (i) non-proprietary reports that AUF was  
9 already using internally to monitor and ensure quality of service (with the  
10 exception of one report that was created specifically for the Phase II Monitoring  
11 Plan), and (ii) an aesthetic water quality improvement program that AUF already  
12 had underway.

13  
14 The Phase II Monitoring Plan required AUF to provide on a monthly basis the  
15 following customer service-related reports:

- 16 • A Management Quality Performance (“MQP”) Report, which tracks on a  
17 monthly basis the reasons for customer calls. This report is used by AUF  
18 management to understand recent performance and identify any adverse  
19 trends.
- 20 • A Florida Complaint Support Information Report, which provides non-  
21 proprietary information for each of the complaint-related calls that  
22 underlies the MQP Report for each month.
- 23 • A Florida Scorecard, which includes quality of service metrics for each  
24 month and is used by management to incentivize its employees to provide  
25 excellent quality of service to customers.

- 1           • A Call Center Monitoring Statistics Report, which tracks the key  
2           performance indicators of AUF's Call Center on a monthly basis, and is  
3           used by AUF management to ascertain whether it is meeting its targeted  
4           service performance levels.
- 5           • A Call Quality Report for AUF's Call Center, formatted such that monthly  
6           data can be tracked for each of the individual call center separately.
- 7           • A Service Order Status Report, which tracks AUF's service order log and  
8           the timeliness of closing service order requests.
- 9           • An Estimated Read Report, which allows for the tracking of the number of  
10          estimated reads and the investigating any adverse trends.

11  
12           By Order No. PSC-10-0297-PAA-WS, dated May 10, 2010 ("Phase II Monitoring  
13           Order"), the Commission approved the Phase II Monitoring Plan agreed to by the  
14           OPC and AUF. In so ruling, the Commission acknowledged that many of its  
15           customer service concerns regarding meter reading, meter accuracy and billing  
16           that led to the Initial Monitoring Plan had been addressed. Pursuant to the Com-  
17           mission's directives, AUF filed a final report on February 28, 2011, summarizing  
18           the results of AUF's Phase II reporting requirements. *See* Exhibit SC-3.

19  
20   **Q.    What did the results of Phase II Monitoring Reports show?**

21   A.    The detailed results of the Phase II Monitoring Reports are set forth in AUF's  
22   Final Phase II Quality of Service Monitoring Report, which is attached as Exhibit  
23   SC-3 to my testimony. The results of that report show that AUF has been  
24   proactive in adopting aggressive quality control methods and has done an  
25   excellent job in meeting those service quality goals. The results of the Phase II

1 Monitoring Report also show that AUF has made steady improvement in the  
2 quality of customer service since the last rate case. For example, the CSR Call  
3 Quality scores improved dramatically when compared to 2008. See Exhibit E to  
4 Exhibit SC-3. Also, the Estimated Read Report shows that the estimation rate for  
5 Florida has been consistently below the target goal of 1 percent. See Exhibit G to  
6 Exhibit SC-3. This steady improvement is also reflected in the downward trend in  
7 complaints filed with the Commission that I previously discussed.

8  
9 **Q. Since the last rate case, have the Commission and its Staff made any findings**  
10 **with respect to the quality of AUF's customer service?**

11 A. Yes. As I mentioned above, the Commission and its Staff have closely monitored  
12 the quality of AUF's customer service for over a period of almost two years, and  
13 not once has the Commission or its Staff found that the quality of AUF's  
14 customer service was unsatisfactory. In fact, as far back as March 4, 2010,  
15 Commission Staff found:

16 Based on staff's review of AUF's processes for handling  
17 customer complaints, meter reading, and customer billing,  
18 as well as its environmental compliance, staff recommends  
19 that AUF's performance as specified in the Monitoring  
20 Plan detailed in the Final Order is adequate.

21 Staff Recommendation, dated March 4, 2010, in Docket No. 080121-WS, at  
22 13. (emphasis added). Furthermore, when the Commission decided to  
23 continue to monitor AUF's quality of service through the end of 2010, it  
24 expressly found that "preliminary results show substantial improvement in  
25 AUF's customer service." Order No. PSC-10-0218-PAA-WS (April 6,

1 2010) (emphasis added). More recently, after reviewing AUF's Final Phase  
2 II Monitoring Report, Staff found that:

3 A comparison of performance data from January 2007 through  
4 December 2010 indicates that AAI has improved many of its Call  
5 Center performance measures, and generally maintained the  
6 improved performance measurements since October 2008. Also,  
7 Staff did not note any recurring negative performance trends in the  
8 Phase II Reports.

9 Staff Recommendation, dated May 12, 2011, in Docket No. 100330-WS and  
10 080121-WS, at 32.

11

12 **Q. What steps has AUF taken to ensure that its employees are efficiently and**  
13 **effectively providing top quality customer service?**

14 A. A CSR's demeanor and tone on a customer call are very important. Our CSRs are  
15 often the first point of contact between the customer and the Company. AUF  
16 management utilizes the CSR Call Quality Scores Report to evaluate performance  
17 in answering customer calls at the Call Center. AUF randomly samples CSR calls  
18 and evaluates them on a monthly basis. The evaluation includes the CSR's soft  
19 skills such as tone and demeanor, and focuses on whether the CSR has fully  
20 satisfied the customer's inquiry.

21

22 **Q. Have you taken any steps to upgrade the training of the Company's CSRs?**

23 A. Yes. Since the last rate case, the Company has had thirty-five customer service  
24 professionals complete the full three-course customer service training program  
25 developed by the AWWA for utility company CSRs. Aqua America was the first

1 utility in the country to have its employees complete the full range of the  
2 AWWA's courses demonstrating again our commitment to CSR training and  
3 improving customer service.

4 **Q. Does this conclude your direct testimony?**

5 A. Yes.

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1 BY MR. MAY:

2 Q. Ms. Chambers, have you attached five exhibits  
3 to your Direct Testimony, SC-1 through SC-5?

4 A. Yes, I have.

5 Q. Do you have any corrections to those exhibits?

6 A. No, I do not.

7 Q. And, Ms. Chambers, have you prepared a summary  
8 of your Prefiled Direct Testimony?

9 A. Yes, I have.

10 Q. Would you please provide your summary at this  
11 time?

12 A. Good afternoon, Chairman and Commissioners. I  
13 am Aqua Americas' national customer service manager, and  
14 I have been with the company for 24 years. I appreciate  
15 the opportunity to be here today. This is the first  
16 time I have been asked to testify.

17 The purpose of my Direct Testimony is to  
18 explain Aqua Utilities Florida's strong commitment to  
19 customer service and to describe actions taken since the  
20 last rate case to address customer satisfaction. Those  
21 improvements include the formation of a complaint  
22 analyst and remediation team, CAR, to address escalated  
23 calls at the call center and to identify areas where  
24 further CSR coaching and training are required. We have  
25 also made improvements to our on-site meter and bench

1 test procedures, which enable us to test the meter in  
2 the field in front of the customer, which reduces  
3 turn-around time and enhances customer confidence in the  
4 process.

5 We enhanced the interaction between our field  
6 technicians and our call center through a program called  
7 project field goal. We designed a seasonal bill insert  
8 to encourage customers to contact AUF before they leave  
9 for the summer so their account is properly noted as  
10 seasonal. We have also developed a leak detection and  
11 water conservation section on our website to provide  
12 helpful information to our customers.

13 My Direct Testimony explains AUF's delinquency  
14 and service termination policies which are more customer  
15 friendly than those required by the Commission's rules.  
16 My testimony also describes how AUF monitors complaints  
17 filed with the Commission. Since the last rate case,  
18 there has been a 50 percent reduction in complaint  
19 volume. While AUF is proud that the number of  
20 complaints filed with the Commission has decreased over  
21 the last four years, my testimony shows that AUF remains  
22 committed to seeing the number of complaints decrease  
23 even further.

24 Finally, my testimony describes in detail the  
25 intense monitoring AUF's quality of service has

1 undergone since the last rate case. The results of that  
2 monitoring shows that AUF has been proactive in adopting  
3 aggressive quality control methods and has done a good  
4 job in meeting its own internal service quality goals.

5 That concludes my summary. Thank you.

6 **MR. MAY:** Thank you.

7 Mr. Chairman, Aqua would tender Ms. Susan  
8 Chambers for cross-examination.

9 **CHAIRMAN GRAHAM:** Thank you.

10 OPC.

11 **CROSS EXAMINATION**

12 **BY MS. CHRISTENSEN:**

13 Q. Good afternoon, Ms. Chambers. You have your  
14 Direct Testimony in front of you?

15 A. Yes, I do.

16 Q. Okay. Let me direct you to Page 5 of your  
17 Direct Testimony, Lines 21 through 25.

18 A. I'm there.

19 Q. Okay. And in that portion of your testimony  
20 you discuss the CART team that was formed, which is the  
21 complaint analysis and remediation team, correct?

22 A. That is correct.

23 Q. Okay. Now, would it be true to say that the  
24 first meeting of this CART team was September 15th,  
25 2009?



1           A.    That is correct.

2           Q.    Okay.  Now, let me take you to Page 6, Lines 2  
3 and 3.  You state that the team meets monthly to address  
4 all escalated calls, correct?

5           A.    Yes.

6           Q.    Are you aware that some customers have  
7 testified that they have asked for supervisors and been  
8 refused?

9           A.    I'm not aware.

10          Q.    Okay.  Would it be correct that if a customer  
11 service representative refuses to transfer a customer to  
12 a supervisor, these calls would not show up in your  
13 statistics?

14          A.    If a customer refuses to be transferred, that  
15 is correct.

16          Q.    Okay.  Let me take you to Page 10 of your  
17 Direct Testimony, Lines 7 and 8.  Are you there?

18          A.    Yes, I am.

19          Q.    Okay.  And in that portion of your Direct  
20 Testimony you discuss the electronic work queue,  
21 correct?

22          A.    That is correct.

23          Q.    Okay.  And isn't it true in your deposition  
24 you testified that the EWQ is basically a work order to  
25 a service representative requiring them to return a

1 phone call to a customer?

2 A. That is correct.

3 Q. Okay. And in your deposition you also  
4 testified that the work order is closed when a  
5 supervisor calls and is able to speak with a customer,  
6 correct?

7 A. That is correct.

8 Q. Okay. And you also testified that if a  
9 supervisor calls once and is unable to reach the  
10 customer, but leaves a message, then the work order is  
11 also closed, correct?

12 A. That is correct.

13 Q. Okay. And it would also be correct that you  
14 testified if a supervisor calls once and is unable to  
15 reach a customer, and is also unable to leave a message,  
16 that the work order is also closed?

17 A. That is correct.

18 Q. Okay. Now, also on Page 10 at Lines 7 and 8  
19 of your Direct Testimony, you comment that the  
20 electronic queue or work queue is audited by a quality  
21 assurance team, correct?

22 A. That is correct.

23 Q. And when you mean -- when you use the term  
24 audit, what you mean is that the term -- the team,  
25 excuse me, reviews the report to check that all the EWQs

1 are closed, correct?

2 A. No, that is not correct.

3 Q. Is that one of the functions of the audit?

4 A. The audit is to review the reasons for the  
5 call-backs in the first place. We have a separate  
6 report that we review for the closures of the EWQs, so  
7 there's two different functions.

8 Q. Okay. In your deposition you stated that  
9 other than the review, no other action was taken on the  
10 EWQs, correct?

11 MR. MAY: Could we get a reference in the  
12 deposition where you are tracking, Ms. Christensen?

13 MS. CHRISTENSEN: Certainly. Page 109.

14 MR. MAY: Ms. Chambers, do you have your  
15 deposition before you?

16 THE WITNESS: Yes, I do.

17 CHAIRMAN GRAHAM: Have you found it?

18 THE WITNESS: Yes, I have.

19 CHAIRMAN GRAHAM: Please continue.

20 BY MS. CHRISTENSEN:

21 Q. Okay. So looking at the question, it says do  
22 you, based on the discussions that you have of the EWQ  
23 reports, excuse me, what type of follow-up is done based  
24 on those discussions. Do you recall that question?

25 A. Yes. This is referring to the EWQ report that

1 we track that monitors that all call backs are handled  
2 within a 24-hour time period.

3 Q. Okay. And then your response? I'm sorry, go  
4 ahead and finish your answer.

5 A. No, that's fine.

6 Q. And your response to that question was we  
7 discuss if there is any outstanding issues, but not  
8 all -- but not all EWQs, we review the report to make  
9 sure that all EWQs are being closed in a timely manner,  
10 is that correct?

11 A. We review that they are closed in a timely  
12 manner, that is correct.

13 Q. Okay. Let me direct you to Page 8 of your  
14 Direct Testimony. Are you there?

15 A. Yes, I am.

16 Q. Okay. At Lines 5 through 8 in your Direct  
17 Testimony you discuss that AUF has developed an on-line  
18 program to allow customers to pay bills on-line, is that  
19 correct?

20 A. That is correct.

21 Q. Okay. Would it be correct to say that the  
22 only way a customer can pay using the Aqua on-line for  
23 free is to allow Aqua to withdraw the money from their  
24 customer's checking or savings account?

25 A. That is correct, and that is free to the

1 customer.

2 Q. Okay. Now, would it also be correct to say  
3 that to pay on-line for free the customer must sign up  
4 to receive the bill on-line and not through the mail?

5 A. Well, actually the customer can enroll to  
6 receive their bill electronically and make a one-time  
7 payment that day, and the very next day they can  
8 unenroll. So they can still technically receive a paper  
9 bill during the billing period.

10 Q. But the intent of the on-line program is that  
11 the customer will sign up. And when signing up, one of  
12 the things that you agree to is to receive your bill  
13 electronically, correct?

14 A. Well, when you enroll you do agree to receive  
15 your bill electronically, but you certainly do not have  
16 to pay through that method.

17 Q. Okay. And would it also be true that if a  
18 customer wants to pay their bill with a credit card that  
19 there is a \$3.20 charge associated with that?

20 A. That is correct. We use a vendor, it's an  
21 approved vendor, SpeedPay, that collects the convenience  
22 fee. That convenience fee does not go to Aqua. It's an  
23 authorized vendor, SpeedPay, that we use to provide that  
24 service.

25 Q. And that fee is charged any time the customer

1 wants to make a payment by credit card, correct?

2 A. Yes, that is correct.

3 Q. Okay. Attached to your Direct Testimony you  
4 had Exhibit SC-3, and I would like to direct your  
5 attention to Page 41 out of the 183. Let me know when  
6 you have reached that.

7 A. Page 41?

8 Q. Correct.

9 MR. MAY: I think, Ms. Chambers, the page  
10 number is in the upper right-hand corner.

11 MS. CHRISTENSEN: In your header.

12 THE WITNESS: I have it, yes.

13 BY MS. CHRISTENSEN:

14 Q. Okay. The fourth line of the chart is a  
15 metrics titled, "Accounts Estimated for Over 90 Days,"  
16 correct?

17 A. Yes. That is long-term estimates.

18 Q. Okay. And your target for this is  
19 .15 percent, correct?

20 A. That is correct.

21 Q. And your average for the accounts estimated  
22 greater than 90 days is slightly over .1 percent,  
23 correct?

24 A. .1. I'm not sure what the average is.

25 Q. Subject to check, would you agree that's the

1 average based on the accounts that are listed?

2 A. Subject to check, I would.

3 Q. Okay. Which is lower than what your target  
4 is, correct?

5 A. That is correct.

6 Q. Can you explain why an account would need to  
7 be estimated for greater than 90 days?

8 A. Well, I can explain that. I can also explain  
9 why in July that had occurred. We provide sewer service  
10 to some customers where we are not the provider of the  
11 water. We are not the water provider. So as a result,  
12 we get those readings from the water provider. If a  
13 meter has been exchanged and we don't have the meter  
14 exchange information, then the reading that was supplied  
15 wouldn't coincide with how we are billing the account.  
16 So we would have to wait until we get the meter reading  
17 information from the water provider before we could  
18 issue a bill on an actual reading.

19 Q. Now, would that --

20 A. That was the case in July. There was a large  
21 meter exchange program in Sarasota.

22 Q. Would that account, though, for all of those  
23 90-day greater estimates?

24 A. That would not account for all of them. That  
25 is one example of what would cause an account to be

1 estimated for up to 90 days or more.

2 Q. Okay. And when an account is estimated in the  
3 first month, what action, if any, does AUF take to  
4 investigate that?

5 A. Well, it depends on why it is estimated. If  
6 it is estimated because of a misreading, then as soon as  
7 we upload the meter reading file, a misreading report is  
8 produced and service orders are generated to go out and  
9 obtain readings on the accounts.

10 Q. Okay. And if you determine that it's a  
11 misread, what action would occur in the second month?

12 A. The same process.

13 Q. Do you take any --

14 A. And our target for reading accounts is on that  
15 same chart; it's 99 percent. That is our read rate.

16 Q. Okay. Assuming that you identify the problem,  
17 could you explain why an account would still require an  
18 estimated read after 90 days?

19 MR. MAY: Objection, that has been asked and  
20 answered.

21 MS. CHRISTENSEN: I'm not sure that has been  
22 asked and answered.

23 CHAIRMAN GRAHAM: I'm not quite sure I heard  
24 it yet, either. Please restate it.

25



1 BY MS. CHRISTENSEN:

2 Q. Well, my question was -- I think the witness  
3 explained that she could identify in certain instances  
4 like a mis-meter read what had happened, and once the  
5 problem has been identified, the question I'm asking is  
6 can you explain why there would still need be an  
7 estimated read after 90 days?

8 A. And I would say the majority of the accounts  
9 that are estimated for long-term estimates are caused by  
10 an unprocessed meter exchange. And maybe let me  
11 clarify. That means that we physically went out to the  
12 property and exchanged the meter. Now, it could have  
13 been done by the water provider or it could have been  
14 done by an Aqua employee, but physically the meter is  
15 exchanged in the property.

16 We go out, we get a read. And the reading is  
17 on the new meter, but our billing system still contains  
18 the old meter information. So the actual reading that  
19 is obtained in the field does not correlate or  
20 correspond with the current information in the billing  
21 system. That would cause a customer to get an estimated  
22 bill, because we cannot use the actual reading.

23 And that is the majority of your long-term  
24 estimates. They are unprocessed meter exchange, and the  
25 majority of the ones in Florida are from the water

1 provider. It is when we are not responsible -- when we  
2 are receiving the reads from another utility.

3 Q. Well, if I understood your earlier testimony,  
4 I think what you were saying was that you might have an  
5 estimated bill greater than 90 days because you haven't  
6 been able to indicate the meter exchange in your billing  
7 system within 90 days, is that correct?

8 A. That's correct. But a misread is normally not  
9 a long-term estimate. A misread is normally you go out  
10 to read it, and it could be missed because you didn't  
11 get a reading because the ERC didn't alert. And  
12 normally a misread is not a read that ends up -- it's  
13 not normally an account that ends up on the long-term  
14 estimation report. The long-term estimation report  
15 normally means that you got a read, but that read didn't  
16 correlate with the information on the account and you  
17 couldn't use it.

18 Q. Okay. So you're saying that for those  
19 accounts it can take longer than 90 days to fix your  
20 billing accounts to match what the actual reads are, is  
21 that correct?

22 A. Correct.

23 Q. Okay. Now, in your deposition we talked about  
24 back-billing, right?

25 A. That's correct.

1 Q. Now, was it correct that you testified that  
2 Aqua has a new process to review back-bills to make sure  
3 that they are not for a period over 365 days, correct?

4 A. Well, we always had a process to review  
5 accounts.

6 Q. Right. But I'm talking about you have just  
7 recently put in a new process, correct?

8 A. We did put in a new process to ensure that we  
9 did not back-bill anybody for longer than 365 days, yes,  
10 and that was in my late filing.

11 Q. All right. And your new process is basically  
12 an automated coding system that will now alert and  
13 ensure that somebody reviews that account to make sure  
14 that a bill doesn't go out for greater than 365 days,  
15 correct?

16 A. That is correct, that the credit is applied  
17 appropriately.

18 Q. Okay. And prior to that, you were having --  
19 that was done by a person?

20 A. Yes.

21 Q. Okay. And I believe I recall that in your  
22 deposition you acknowledged that due to human error  
23 sometimes bills would go out greater than 365 days,  
24 correct?

25 A. That is correct.

1 Q. Okay. And that new automated coding program,  
2 that just went into effect recently in October or  
3 November of this year, correct?

4 A. That is correct.

5 Q. Now, I think you in a previous answer  
6 discussed ERTs. And just so we are clear, ERT is what,  
7 estimated read -- what is that, electronic reading  
8 telemetry? What does that stand for?

9 A. An electronic reading transmitter or  
10 transmission, I'm not sure. I always refer to it as an  
11 ERT, I'm sorry.

12 Q. And that's fine, I just wanted to make sure I  
13 understood it. So it's basically the electronic reading  
14 transmission?

15 A. Transmitter, I believe. I'm sorry.

16 Q. And that's fine. We can refer to them as  
17 ERTs. That's fine.

18 And I think you had discussed earlier today in  
19 your testimony that one of the problems that you have  
20 estimated bills for is when you have a problem with the  
21 ERT, correct?

22 A. That is correct.

23 Q. And you also testified that after a meter read  
24 cycle, the utility runs a missed read report to identify  
25 those meters with bad ERTs, correct?

1           A.    Where we did not get a reading at all.

2           Q.    Okay.  And isn't it true that you testified  
3 that based on this report that the utility generates  
4 orders with a goal for a service technician to go out  
5 and check the meter within seven days?

6           A.    Yes, that is our goal.

7           Q.    So based on your testimony, you would agree  
8 that there really should be no reason that an account  
9 would continue to have a missed read or no read for an  
10 ERT for more than one month in a row?

11           **MR. MAY:**  I'm going to object to that  
12 question.  I think that is about three questions jumbled  
13 into one.

14           **MS. CHRISTENSEN:**  I don't see how that's three  
15 questions in one, but --

16           **CHAIRMAN GRAHAM:**  Break it down a little bit,  
17 if you can.

18           **MS. CHRISTENSEN:**  I will try.

19 **BY MS. CHRISTENSEN:**

20           Q.    Okay.  You have testified that a missed read  
21 report is generated at the end of the month, correct?

22           A.    That is correct.

23           Q.    And that based on that report, a technician is  
24 sent to -- a service order is generated basically within  
25 seven days, so that a technician will go out and

1 identify or correct the ERT problem, right?

2 A. That is correct.

3 Q. Okay. So you would agree that there is no  
4 basis or no reason if you have a missed read why that  
5 problem should persist more than a single month,  
6 correct?

7 A. That is correct.

8 Q. Okay. Now, we also talked, I think, about a  
9 major problem with back-billing was due to zero  
10 consumption, correct?

11 A. That is correct.

12 Q. Now, isn't it also true in your deposition you  
13 testified that you have a monthly report that identifies  
14 every zero consumption meter, or meter that identifies  
15 zero consumption?

16 A. That is correct.

17 Q. Okay. And is it also correct that you  
18 testified in your deposition that you worked this report  
19 by sending out field representatives to investigate  
20 whether it's a valid zero consumption?

21 A. That is correct. Due to the nature in Florida  
22 of the seasonal customers, we have a larger volume of  
23 zero consumption accounts than most of the other states.

24 Q. So based on your prior testimony that, you  
25 know, you investigate every zero consumption, you would

1 agree that there is no reason why an account should have  
2 zero consumption that is not generated by a seasonal  
3 customer or a valid zero consumption for more than one  
4 month, correct?

5 A. That is not correct. There is a big  
6 distinction between a misread and a zero consumption  
7 account. A misread, you're not getting a read, and you  
8 are issuing an estimated bill, and that is where your  
9 long-term estimations are. But a zero consumption, you  
10 are sending out a bill, you are billing a customer on  
11 zero consumption. You are getting a read, and you are  
12 sending out a bill on zero consumption.

13 Q. Okay. So even if you had zero consumption,  
14 you would be sending out a bill for base facility  
15 charges, correct?

16 A. That is correct.

17 Q. Okay. And I think you testified that if you  
18 have otherwise zero usage, maybe zero usage is a better  
19 way to put it, you would also generate a service order,  
20 correct?

21 A. When you work the zero consumption report.  
22 The zero consumption report doesn't generate accounts  
23 that have been zero for only one month.

24 Q. Okay. So how long does it take before an  
25 account would show up on a zero consumption report?

1           A.    It is a six-month report that is run every  
2 month.

3           Q.    Okay.  So an account could show zero  
4 consumption for a period of five months and they still  
5 would not show up on that zero consumption report?

6           A.    That is correct.

7           Q.    Okay.  So it is possible that customers could  
8 be charged for base facility charges and not charged for  
9 usage and not be aware that they weren't being charged  
10 if it didn't go longer than the six months, correct?

11          A.    Well, the customer would be aware that they  
12 are being charged for zero consumption because there is  
13 many indications on the bill.  There is a meter data  
14 section of the bill that shows the zero consumption,  
15 there is a graph that would indicate that all of a  
16 sudden they weren't using any water, and the customer  
17 would be getting a bill for just base facility charge.  
18 So the customer would know that they were getting  
19 charged for zero consumption when they reviewed their  
20 bill.

21          Q.    Well, assuming the customer came from another  
22 water system with a much lower rate and they were paying  
23 Aqua's base facility charge, if they didn't look very  
24 closely at their bill, it is possible, would you not  
25 agree, that the customer might not notice that they had



1 zero consumption?

2 A. Well, the fact that it indicates in three  
3 different sections of the bill -- I guess it's possible  
4 if they are a brand new customer, but we do send out a  
5 welcome kit that shows the customer how to read their  
6 bill, and there is a section in our welcome kit that  
7 explains our bill and how to read it.

8 Q. Okay. Now, I think you stated that you  
9 have -- that the zero consumption report is generated on  
10 a six-month period. When you do investigate the zero  
11 consumptions, and let's say you find a customer that  
12 just was not being billed for usage for a six-month  
13 period and should have been billed during that six-month  
14 period, do you consider the weather in the estimated  
15 consumption?

16 A. I guess I don't understand your question.

17 Q. Well, when you have a customer that has had  
18 zero consumption, do you provide an estimated  
19 consumption for that customer?

20 A. No, we don't, because the actual consumption  
21 is registered on the meter. So when we fix the problem,  
22 we actually get a reading off of the meter. So there is  
23 no estimation. We know exactly how much consumption has  
24 been used. It's recorded on the meter. There is no  
25 guesswork.

1           Q.    So let me make sure I'm understanding it.  If  
2 you have zero consumption, or if they showed up on the  
3 zero consumption report, in all cases there is an actual  
4 read on the meter, or are there some cases where there  
5 is no actual usage showing up on the meter, or do you  
6 consider those two different events?

7           A.    There is two different events, but the  
8 majority of the time there is an issue with the ERT.  So  
9 the meter is functioning correctly at the property, it  
10 is registering the water, there is an issue between the  
11 communication of the ERT device and the meter.  So we  
12 are reading the ERT, the ERT is saying there is no  
13 usage, but the meter is still registering all of the  
14 usage.

15          Q.    Okay.  That's what you would call a misread,  
16 correct?

17          A.    Not a misread.  A misread is we physically go  
18 out to the property and we don't get any read at all.

19          Q.    Okay.  And for the customers where the meter  
20 actually shows -- there are those cases, though, where  
21 the meter actually shows no usage, correct?

22          A.    That is a stuck meter.

23          Q.    Okay.  And in the stuck meter case, let's make  
24 sure that we are all on the same terminology -- in the  
25 stuck meter case, do you consider whether when you -- do

1 you estimate consumption on a stuck meter?

2 A. On a stuck meter we do have to estimate the  
3 unused consumption. And normally the process is that  
4 you exchange the meter, and that same month that you  
5 exchange it for, you go back and you get another read,  
6 usually within 15 days of the exchange, and you  
7 calculate the unused consumption based on the average,  
8 the 15-day average of the new meter.

9 Q. Okay. Do you consider any weather -- do you  
10 consider weather in that 15-day estimate?

11 A. We normally don't, but there have been cases  
12 where a customer has called in to the call center and  
13 has indicated that they actually had a leak and we have  
14 made some adjustments in the past.

15 Q. Okay. Well, let me ask you this. In your  
16 deposition you testified that the current percent for  
17 back-billing for AUF is .07 percent, correct?

18 A. That is correct. So it's less than  
19 three-quarters of one percent of our bills are  
20 back-bills, .07 percent.

21 Q. And you also were asked what would be an  
22 acceptable level for back-billing, and you testified  
23 that it was greater than 1 percent would be  
24 unacceptable, correct?

25 A. That is correct.

1 Q. Okay. Now, I think as part of that packet  
2 that we previously handed out was Production of  
3 Documents -- and I'm going to be using actually four of  
4 those documents. The first one is 129 through 131.

5 A. Oh, okay.

6 Q. And then OPC POD Number 131, and then 131  
7 sorted by month, and 131 sorted by system. And I guess  
8 we need to identify these and provide numbers for these.

9 CHAIRMAN GRAHAM: Let's go ahead and put  
10 exhibit numbers on the stack that you passed out. This  
11 first one would be the Aqua Response 129 through 131, is  
12 that correct?

13 MS. CHRISTENSEN: Correct.

14 CHAIRMAN GRAHAM: And that is going to be --  
15 staff, we are at 289? 298, rather.

16 MS. CHRISTENSEN: 298 is what I have got.

17 CHAIRMAN GRAHAM: Okay.

18 MS. CHRISTENSEN: And then the next one would  
19 be OPC POD Number 131, and that would be 299. The  
20 following one would be OPC POD 131 monthly, and the  
21 following one would be -- that's 300.

22 MR. JAEGER: I'm sorry, Patty, you have lost  
23 me.

24 MS. CHRISTENSEN: I'm sorry, 300 would be OPC  
25 POD 131 sorted by month.

1                   **CHAIRMAN GRAHAM:** Okay. I'm with you.

2                   **MS. CHRISTENSEN:** And then the next one would  
3 be 301, which would be OPC POD Number 131 sorted by  
4 system.

5                   **CHAIRMAN GRAHAM:** Okay.

6                   **MS. CHRISTENSEN:** And I think that's all of  
7 them that we have to identify.

8                   **CHAIRMAN GRAHAM:** All right. So for the  
9 record we have 298, which is Aqua Response to OPC's  
10 Fifth POD, Numbers 129 through 131; then OPC POD 131 is  
11 299; and then OPC POD 131 sorted by month is 300; and  
12 OPC POD Number 131 sorted by system is 301; is that  
13 correct?

14                   **MR. MAY:** Ms. Chambers, do you have that?

15                   **THE WITNESS:** I'm sorry. Yes, I do.

16                   **MR. MAY:** Do you have those numbers?

17                   **THE WITNESS:** Yes.

18                   **MR. MAY:** Okay. You're better than I am.

19                   **CHAIRMAN GRAHAM:** Ms. Christensen, is that  
20 correct, those numbers I read aloud to you?

21                   **MS. CHRISTENSEN:** Yes, I believe so.

22                   **CHAIRMAN GRAHAM:** Okay.

23                   **MS. CHRISTENSEN:** All right.

24                   (Exhibit Numbers 298 through 301 marked for  
25 identification.)

1 **BY MS. CHRISTENSEN:**

2 Q. Let me ask you this. Okay, 298 that  
3 specifically was Aqua's response to our billing  
4 question. And looking at specifically 131, you were  
5 asked to provide a spreadsheet with formulas intact to  
6 support the work-papers and calculations that justified  
7 your billing adjustments, correct?

8 A. That's correct.

9 Q. Okay. Let me move on to 299.

10 **MR. MAY:** Just so the record is clear with  
11 respect to OPC POD 131, in order to understand and to  
12 complete the record, that request for production of  
13 documents refers to Interrogatory 193. So I think you  
14 are going to have to read both of those together.

15 **MS. CHRISTENSEN:** Well, I specifically want to  
16 refer to the Excel file that was provided. So let me  
17 change you to Exhibit 299, and at the top of that  
18 spreadsheet it says OPC POD 131, AUF back-billed  
19 information for January 2009 through March 2011,  
20 correct?

21 **THE WITNESS:** That is correct.

22 **BY MS. CHRISTENSEN:**

23 Q. And this spreadsheet shows a total of --

24 A. I believe it's 461 accounts.

25 Q. I'm sorry, what?

1           A.    I believe it's 461 accounts.

2           Q.    Okay.  And it shows --

3                   **MS. CHRISTENSEN:**  One moment, please.

4                           (Pause.)

5   **BY MS. CHRISTENSEN:**

6           Q.    All right.  I think by our calculation we were  
7 showing 426 back-bills.

8           A.    Yes, I misspoke.  Right.

9           Q.    Okay.  And these 426 back-bills equates to  
10 your .07 percent number, correct?

11          A.    That is correct.

12          Q.    And then as part of Exhibits 300 and 301 you  
13 provided a sort of those back-bills.  You did the sort  
14 based on a monthly basis -- sorry, we did a sort based  
15 on a monthly basis and a sort by system.  So let me  
16 refer you first to the monthly sort.

17          A.    Okay.

18          Q.    Okay.  Now, would you agree, subject to check,  
19 that 97 of these back-bills occurred in 3 months,  
20 January through March 2011?

21          A.    Subject to check, okay.

22          Q.    Okay.  And 187 of these back-bills occurred in  
23 2010, correct?

24          A.    Subject to check.

25          Q.    And 142 occurred in 2009, correct?

1           A.    Subject to check.

2           Q.    Now, would you agree that your number of  
3 back-bills have increased each year?

4           A.    Can I have those numbers again, please?

5           Q.    Certainly.  In 2009, the total back-bills was  
6 142.  And I think you agreed to that subject to check.  
7 And then in 2010, the total back-bills was 187, and you  
8 also agreed to that subject to check.  And then for the  
9 first three months of 2011, which is, I think, all the  
10 data that we were provided in this POD response, for the  
11 first three months of 2011 the total back-bill was  
12 already 97.  So if you were to extrapolate that number  
13 to the remainder of the year, it would be an increase.

14          A.    No, that's through --

15          Q.    Somewhere north of 300, if it was continuing  
16 on the same trajectory, right?

17          A.    Right.  But you don't know if it has or has  
18 not.

19          Q.    Well, based on -- well, let's just look at the  
20 difference between 2009 and 2010.  You would agree that  
21 there was an increase in back-billing, correct?

22          A.    Yes.

23          Q.    Okay.  All right.  Now, let's take a look at  
24 the exhibit sorted by systems.  Okay.  Now, are you  
25 familiar with Jasmine Lakes?



1           A.    Yes, I am.

2           Q.    Okay.  It appears on this chart that there are  
3 76 back-bills in 2010 for Jasmine Lakes, is that  
4 correct?

5           A.    That is correct.

6           Q.    Okay.  And you would agree -- well, let me ask  
7 you this.  Are you aware that Jasmine Lakes has  
8 approximately 1,600 customers?

9           A.    Yes, I am.

10          Q.    Now, if you take the 76 back-bills for Jasmine  
11 Lakes in 2010, and divide them by the 1600 customers,  
12 would you agree, subject to check, that that would be  
13 about 4.75 percent of all the customers receive  
14 back-bills?

15          A.    I would agree, subject to check.  There was an  
16 issue with the streetlight billing in Jasmine Lakes.  It  
17 was a computer glitch that caused a one-time  
18 back-billing issue.

19          Q.    Okay.  And you would agree, though, that that  
20 was substantially larger than your .07 percent, correct?

21          A.    Right.  And I would agree, again, it was a  
22 computer -- a computer glitch, and it was a one-time.  
23 We stopped billing streetlights in Jasmine Lakes, and it  
24 caused a portion of the customers not to receive a sewer  
25 and water bill.

1           Q.    Okay.  Well, let's take a look at Lake Gibson  
2           Estates.  It appears that there were eight back-bills  
3           already in 2011, correct?

4           A.    Subject to check.

5           Q.    Okay.  And you would agree that there are  
6           approximately 190 customers in Lake Gibson Estates,  
7           correct?

8           A.    Well, subject to check.

9           Q.    Okay.  And if you take the eight back-bills  
10          that have already occurred and divide them by the 190  
11          customers, you would have a 4.3 percent of the customers  
12          in Lake Gibson Estates have received back-bills for the  
13          first three months in 2011, correct?

14          A.    Subject to check.

15          Q.    Okay.  And you would agree that that  
16          percentage could increase if the number of back-bills  
17          continue in 2011, right?

18          A.    Can you repeat your question?

19          Q.    Absolutely.  Based on the first three months  
20          of 2011, the back-billing percentage for Lake Gibson  
21          Estates is already at 4.3 percent, correct?

22          A.    Correct, subject to check.

23          Q.    Okay.  And if there were additional back-bills  
24          issued to the customers in Lake Gibson Estates in 2011,  
25          you would agree that the percentage of back-bills would

1 only increase, correct?

2 A. Well, unless I knew the root cause of what  
3 caused the back-bills in Lake Gibson, or Lake Gibson  
4 Estates, I really can't answer that.

5 Q. Okay. Well, mathematically would it not be  
6 correct?

7 A. Well, just like there was a one-time computer  
8 glitch in Jasmine Lakes that caused a one-time  
9 back-billing occurrence, right.

10 Q. Well, holding all -- let's say, for sake of  
11 argument, there are additional back-bills. Just as a  
12 matter of mathematics, if you add additional back-bills  
13 in 2011, that would increase that percentage, correct?  
14 You would be increasing the number of back-bills divided  
15 by the same number of customers.

16 A. Well, again, unless I know what the root cause  
17 is, I'm not sure I can answer that question.

18 Q. Okay. Well, let's look at 2010. There were  
19 20 -- yes, there were 20 back-bills in 2010, correct,  
20 for Lake Gibson Estates?

21 A. Subject to check.

22 MR. MAY: Could you point out where you are  
23 calculating that from, Counsel?

24 MS. CHRISTENSEN: Page 3 of the exhibit, and  
25 it says, starting with Line 143 down through -- I'm

1           sorry.

2                   **MR. MAY:** 143 is 2009. I think 2010 starts on  
3 Line 155, doesn't it?

4                   **MS. CHRISTENSEN:** Well, hold on. Well, let's  
5 do this -- we will just move on from there.

6 **BY MS. CHRISTENSEN:**

7           **Q.** Let's try looking at Lake Suzy. In 2010,  
8 starting at 181 and flipping over to 199, there are 21  
9 back-bills in 2010, correct, if my math is correct?

10           **A.** I think I counted 20, but subject to check.

11           **Q.** All right, 20. And if you take that, and then  
12 there are also five additional ones for the first three  
13 months in 2011, correct?

14           **A.** Correct, which actually shows a decrease, I  
15 believe.

16                   **MS. CHRISTENSEN:** Can you just give us a  
17 moment, please?

18                   **CHAIRMAN GRAHAM:** Sure.

19                   **MS. CHRISTENSEN:** Thank you.

20                   (Pause.)

21                   **CHAIRMAN GRAHAM:** How about let's move forward  
22 to the Attorney General, and we'll come back to you.

23                   **MS. CHRISTENSEN:** (Inaudible; microphone off.)

24                   **CHAIRMAN GRAHAM:** Sure.

25                   **MS. CHRISTENSEN:** Thank you for indulging me

1 for the moment.

2 BY MS. CHRISTENSEN:

3 Q. Okay. Looking at Silver Lakes Estates,  
4 starting around Line 301, I think that is January 2010.  
5 Do you see that?

6 A. 301, yes. In 2010 you're looking at?

7 Q. Correct. For 2010 there were, subject to  
8 check, 39 back-bills, correct?

9 A. Subject to check.

10 Q. Okay. Yes, the 2010 ends on Line 339.

11 A. It's 38.

12 Q. Now, looking at the next one, it starts at  
13 340, is that correct?

14 A. It starts at 340 in 2011.

15 Q. Correct, and then March 2011 ends at Line 374,  
16 correct?

17 A. That's correct.

18 Q. And that appears, subject to check, to be 35  
19 back-bills for the month -- for 2011, correct?

20 A. That is correct.

21 Q. So for 2011, based on this report, there is  
22 almost as many back-bills in the first three months of  
23 2011 than there were for all of 2010 for Silver Lakes  
24 Estates, correct?

25 A. That is correct.

1           Q.    Okay.  Now, would you agree that when a  
2 customer is billed there is a price signal sent to the  
3 customer that is used to predict future consumption?

4           A.    Can you repeat the question?

5           Q.    Sure.  Would you agree that when a customer is  
6 billed, there is a price signal sent to that customer  
7 that is used to predict future consumption?

8                   Well, let me try this again.  Would you agree  
9 that the customers' current consumption will influence  
10 their future consumption?

11          A.    I guess it's a possibility that it may or may  
12 not.

13          Q.    Well, the cost of the current water use will  
14 influence how much water they use in the future,  
15 correct?

16          A.    I really don't know the answer to that.

17          Q.    Well, would you agree that if customers do not  
18 know -- let's assume for this question that a customer  
19 doesn't know that they are being billed incorrectly.  
20 Would you agree that if they don't know that they are  
21 being billed incorrectly that may send the wrong price  
22 signal to the consumer and they may have a higher  
23 consumption level than if they had been billed  
24 correctly?

25          A.    I really can't answer that question.  I don't

1 know what's in a customer's mind.

2 Q. All right. Well, let me turn you to Page 6 of  
3 your Direct Testimony, Lines 12 through 18. In there  
4 you discuss seasonal customers, correct?

5 A. That is correct.

6 Q. Okay. And are seasonal customers billed  
7 monthly while they are out of state?

8 A. It depends on how they wish to be billed.

9 Q. Okay.

10 A. Some customers will continue to be billed  
11 while they are out of state, other customers do not wish  
12 to be billed while they are out of state, so when they  
13 return back to the state we will issue them a long bill  
14 for the period of time that they were not residing in  
15 the state, unless they have left the state for 12 months  
16 or more.

17 Q. Okay. So you would agree that AUF allows  
18 customers not to pay the base facility charge during the  
19 time that they are out of town, correct?

20 A. If they wish to not be billed, yes, that is  
21 correct. But when they return, then we issue them a  
22 long bill for that period of time and we issue them a  
23 base facility charge.

24 Q. Okay. And just so that I'm clear, you offer  
25 the customers the choice of suspending the billing, and

1 then when they come back they would have to pay all of  
2 that missed base facility charge, that long bill?

3 A. That is correct. We would issue a long bill,  
4 and we would offer the customer payment arrangements.

5 Q. Okay. Now, if there were any leaks or some  
6 other unexplained usage during the time that they were  
7 out, they would also have to pay the usage charge on  
8 that consumption when they came back on that long bill,  
9 correct?

10 A. That is correct.

11 Q. Would you agree that this practice of allowing  
12 these long bills can create a problem for some customers  
13 to pay that large amount of bill when they come back?

14 MR. MAY: I'm going to object to the  
15 characterization of her testimony. She never said this  
16 was a practice. She said it was an option provided to  
17 the customers. The customers could either have their  
18 bill suspended, or during the course of the time when  
19 they were out of the state they could be billed on a  
20 monthly basis for base facility charges. She did not  
21 say it's a practice.

22 MS. CHRISTENSEN: Well, I'm not sure,  
23 otherwise, how we would characterize it, since the  
24 company allows the customer the option. But let me  
25 rephrase the question, if I can.



1                   **CHAIRMAN GRAHAM:** Please.

2                   **BY MS. CHRISTENSEN:**

3                   Q.    Has Aqua considered the fact that these large  
4 bills can create a problem for customers to pay all at  
5 once when they come back?

6                   A.    It's the customer's wish to be billed in this  
7 fashion. It's not Aqua's wish. Aqua's wish, and what  
8 we would prefer, is that we continue the billing of the  
9 base facility charge all year-round. It's the  
10 customer's wish, so we offer payment arrangements.

11                  Q.    All right. Well, let me change topics and  
12 turn your attention to Page 5 of your Direct Testimony,  
13 Lines 15 through 17. And in there you say you have a  
14 call center dedicated to AUF-related calls?

15                  A.    That is correct.

16                  Q.    Okay. Where is that call center located?

17                  A.    That is located in Cary, North Carolina.

18                  Q.    And in your testimony you say this is a  
19 dedicated center. You would agree, though, that the  
20 call center in North Carolina is not used for just AUF  
21 Florida customers, correct?

22                  A.    That is correct.

23                  Q.    Okay. How many other states does that call  
24 center serve?

25                  A.    I believe four.

1 Q. Okay. And on the same Page 5, starting at  
2 Line 3 and then going over through Page 6 -- I'm sorry,  
3 that's rebuttal, so we will have to skip those.

4 Let me turn your attention back to Exhibit  
5 SC-3, Page 43 of 181. Or 183, I'm sorry.

6 **CHAIRMAN GRAHAM:** Which exhibit?

7 **MS. CHRISTENSEN:** SC-3, Page 43 of 183.

8 **THE WITNESS:** Okay, I'm there.

9 **BY MS. CHRISTENSEN:**

10 Q. Okay. The sixth line of this chart is a  
11 metrics entitled calls answered in greater than 90  
12 seconds, is that correct?

13 A. That is correct.

14 Q. Okay. So when a customer calls the 800  
15 number, they enter into an automated system, correct?

16 **MR. MAY:** I'm sorry, that metric does not  
17 saying calls greater than 90 seconds. It says calls  
18 answered in less than 90 seconds.

19 **MS. CHRISTENSEN:** I stand corrected.

20 **BY MS. CHRISTENSEN:**

21 Q. So let me -- with that correction, that it's a  
22 metrics titled calls answered in less than 90 seconds,  
23 when the customer calls the 800 number, they enter an  
24 automated system, correct?

25 A. That is correct.

1           Q.    How many choices does a customer have before  
2 they choose to -- before they can choose to talk with a  
3 customer service representative?

4           A.    I don't know off the top of my head.

5           Q.    Would it be correct to say that the 90 second  
6 measure in the metrics is only -- it only begins after  
7 the customer makes the selection to talk with a customer  
8 service representative?

9           A.    That is correct.

10          Q.    Okay. I think you also testified in your  
11 deposition that you have done research when developing  
12 your customer service metric, correct?

13          A.    That is correct.

14          Q.    And in your deposition, I think you testified  
15 that that decision of what to provide as far as customer  
16 service was, in part, based on your decision as to what  
17 the customers were willing to pay?

18          A.    Well, I thought I said in my deposition that  
19 we did a survey, and based on the results of the survey  
20 we staffed our call center accordingly.

21          Q.    Okay. And in part that was based on what the  
22 customers responded to as being willing to pay, based on  
23 that customer survey, correct?

24          A.    Well, I believe the survey showed, and I think  
25 it is in my late exhibit, 81 percent of the customers

1 surveyed said that they we were meeting their  
2 expectations or exceeding their expectations on speed of  
3 answer, of answering the phone.

4 Q. Was that just Florida customers, or was that a  
5 nationwide survey?

6 A. No, it was actually a survey conducted at the  
7 time for all our customers. I believe it was prior to  
8 the Florida conversion. It was in 2005 and 2006, so it  
9 was actually to gear us to the Florida conversion, the  
10 Meritage.

11 Q. So was that prior to the Florida systems being  
12 added to your customer service?

13 A. Yes. That was in expectation of the Florida.

14 Q. Did you add additional staff to cover the  
15 additional Florida systems?

16 A. Yes, we did.

17 Q. All right. Let me direct your attention to  
18 Page 14 of SC-3.

19 A. Okay, I'm there.

20 Q. Okay. In the first full paragraph you state  
21 that any calls related to water quality complaints,  
22 boiled-water notices, or an emergency repair is  
23 immediately addressed by a customer service technician  
24 through the issuance of a service order, is that  
25 correct?

1           A.    I'm not sure. Am I on the right page, Page  
2 14? Oh, I'm sorry.

3           **CHAIRMAN GRAHAM:** Bottom of Page 10.

4           **THE WITNESS:** Okay. Can you repeat it?

5 **BY MS. CHRISTENSEN:**

6           Q.    Certainly. In the first full paragraph you  
7 state that any calls related to water quality complaint,  
8 boiled-water notice, or an emergency repair is  
9 immediately addressed by a customer service technician  
10 through the issuance of a service order, is that  
11 correct?

12          A.    That is correct.

13          Q.    Okay. Now, in your deposition you testified  
14 that you don't create a service order for a call on a  
15 boiled-water notice, that you only provide information,  
16 correct?

17          A.    That is correct.

18          Q.    Okay. Now, on Page 17 of your Direct  
19 Testimony, Lines 16 through 20, you quote the  
20 Commission's staff finding that the audit performance  
21 was adequate, correct?

22          A.    Page 17?

23          Q.    Yes. On Page 17 you quote the Commission  
24 staff as finding that AUF performance is adequate,  
25 correct?

1           A.    That is correct.

2           Q.    You would agree that that order was not found  
3 in the language of the order that was issued, correct?

4           A.    No, I do not believe that is correct.

5           Q.    Do you know where in the order we could find  
6 the language that the performance was adequate?

7           **MR. MAY:** Mr. Chairman, I think the quotation  
8 from the testimony, she is citing the staff  
9 recommendation, not the order.

10           **MS. CHRISTENSEN:** Well, and we asked her  
11 whether or not that language was found in the order, and  
12 she -- we asked her to confirm that that language was  
13 not included in the order. She disagreed, and I'm  
14 asking her to point out where that language actually  
15 occurred in the order.

16           **BY MS. CHRISTENSEN:**

17           Q.    Do you know?

18           A.    No.

19           Q.    Okay. All right. Let me move on to Line 24  
20 of the same page. You quote the order as saying the  
21 preliminary results shows substantial improvement.

22           A.    I'm sorry, what page is that?

23           Q.    On Page 17, Line 24, of your Direct Testimony.  
24 Quoting from the final order, you state the preliminary  
25 results show substantial improvement in AUF customer

1 service.

2 A. That is correct.

3 Q. Okay. Do you have a copy of that order in  
4 front of you? Okay. And I think we provided this as  
5 part of the handouts that we had. We have not marked it  
6 for identification since it's an order, and I guess I  
7 would refer you to Page 12 of that order. It is Order  
8 10-0218-PAA-WS.

9 A. Page 10?

10 Q. Page 12.

11 A. Oh.

12 Q. Could you read the last paragraph of that  
13 sentence starting with based on?

14 A. Based on all the above, we find that while  
15 preliminary monitoring results show substantial  
16 improvements in AUF's performance, additional monitoring  
17 is required to ultimately render a decision as to the  
18 adequacy of AUF's quality of service. However, the  
19 utility states that the six-month monitoring plan that  
20 we have implemented in the final order has cost  
21 approximately \$100,000 and many hours of both utility  
22 staff and the Commission staff time.

23 Q. I think we read the sentence that we needed  
24 to. Thank you.

25 Okay. Let me turn your attention to Page 18

1 of your Direct Testimony. Ms. Chambers, I'm sorry, Page  
2 18 of your Direct Testimony.

3 A. Yes.

4 Q. Lines 3 through 8.

5 A. Yes.

6 Q. Okay. Again, you quote the staff regarding  
7 AUF's performance measures. Would you agree that none  
8 of this language appears in the Commission order?

9 A. Yes, it's the staff's recommendation.

10 Q. Okay. Also on Page 18 at Lines 14 through 20,  
11 you discuss the demeanor of customer service  
12 representatives. Now, is it correct that in your  
13 deposition you discussed an evaluation process you used  
14 to evaluate the soft skills for the CSRs, correct?

15 A. That is correct.

16 Q. Okay. I think we have passed out as part of  
17 the packet Late-filed Deposition Exhibit 3. We can  
18 either identify it for the record, or it was also part  
19 of Staff's Composite Exhibit on late-filed exhibits for  
20 Ms. Chambers. And if you want, we can just refer to  
21 this, and then enter it into the record in Staff's  
22 Composite Exhibit.

23 **CHAIRMAN GRAHAM:** Okay.

24 **MS. CHRISTENSEN:** So I'm not sure if we need  
25 to identify it with a number, or just use it for



1 reference in here, and it will be entered as part of the  
2 Composite Exhibit from staff.

3 **CHAIRMAN GRAHAM:** Staff, which would you  
4 prefer?

5 **MR. JAEGER:** Commissioner, staff is going  
6 introduce all the late-filed exhibits for Ms. Chambers,  
7 and I think what Ms. Christensen is saying is we are  
8 going to do all 14 of them in one composite exhibit  
9 Instead of having hers being 1 and 4, just refer to it  
10 now, but then when we move all of our exhibits at once,  
11 have just that one exhibit number. And so we could go  
12 ahead and identify our exhibit number, if she wants, to  
13 make it 302, and it would be Deposition Exhibits 1  
14 through 14 for Ms. Chambers, if you wanted to make that  
15 simpler.

16 **CHAIRMAN GRAHAM:** That works.

17 **MR. JAEGER:** Then she can use these as she  
18 needs. But 302, then, will be Staff's Late-filed  
19 Exhibits 1 through 14 for Ms. Chambers.

20 **MS. CHRISTENSEN:** Thank you.

21 (Exhibit Number 302 marked for  
22 identification.)

23 **BY MS. CHRISTENSEN:**

24 Q. All right. Let me refer you to your  
25 Late-filed Exhibit Number 3 that was just marked for

1 identification as part of Exhibit 302.

2 A. I have it.

3 Q. Okay. And this shows the items that are  
4 scored as part of your evaluation of your CSRs, correct?

5 A. They are called evaluations, yes.

6 Q. Okay. Can you identify on this evaluation how  
7 many items are scored?

8 A. There are 12 items scored.

9 Q. Okay. Are all these given equal weight?

10 A. No, they're not.

11 Q. Okay. Can you identify how these items are  
12 weighted?

13 A. Yes, I can. 1A is worth 10 points, 1B is  
14 worth five points, 1C is worth five points, 1D is worth  
15 15 points, 1E is worth 5 points, for a total of 40 in  
16 the first section.

17 Q. Okay.

18 A. 2A is worth five points, 2B is worth five  
19 points, C is worth 10. C through G are all worth 10 for  
20 a total of 60.

21 Q. Okay. Now, are those points indicated on the  
22 evaluation form itself, or do you just answer yes or no?  
23 Because the evaluation form that was provided in  
24 response as a late-filed deposition exhibit only  
25 indicates yes or no. Does the form that's used for

1 evaluations actually have the points indicated on it?

2 A. It's automatically calculated on it. No, it  
3 is not displayed on the form. It's used in the grading.

4 Q. Okay. Let me ask you this. The first five  
5 criteria are soft skills, correct?

6 A. That is correct.

7 Q. And the second set of seven skills you would  
8 agree are analytical?

9 A. Yes.

10 Q. And would you characterize the first set of  
11 five skills as presenting a friendly demeanor to  
12 customers?

13 A. I would characterize D and E as those items.

14 Q. Okay. So, basically, half the points on the  
15 first --

16 A. Twenty of the 40 points are the demeanor.

17 Q. Okay. So the majority of the criteria or the  
18 points are awarded for following company procedures,  
19 correct?

20 A. That's correct.

21 Q. Okay. And would it be correct to say that in  
22 your deposition you identified a score of 85 as a  
23 requirement before coaching is required?

24 A. Correct. So if the demeanor of the call is  
25 worth 20 points, they would automatically -- if they

1 were rude, they would automatically lose 20 points and  
2 be scored an 80.

3 Q. Well, let me ask you this. I know you have  
4 said that it has certain point values. Is it an  
5 all-or-nothing score, meaning that either you meet the  
6 criteria or you don't?

7 A. Yes.

8 Q. Okay. And you indicated that if you don't  
9 meet the 85 percent, that you would be coached, correct?

10 A. Correct.

11 Q. In your deposition you were asked how many  
12 times a CSR could provide rude customer service before  
13 termination, and I think you indicated that they would  
14 be coached, is that correct?

15 A. They would be coached. If they continued --  
16 if their quality scores did not continue to improve,  
17 eventually they could be terminated.

18 Q. Do you know how long it would take before they  
19 would be terminated?

20 A. They would have to have -- I believe it's  
21 three straight months of below quality scores.

22 Q. All right. Let me take you to Page 9 of your  
23 testimony, 21 through 24. And in there you discuss bill  
24 alerts used for high consumption, correct?

25 A. That is correct.

1 Q. And you mentioned that you provide a message  
2 that prompts a customer to investigate for potential  
3 leaks and to visit Aqua's website, correct?

4 A. That is correct. We have a high bill alert  
5 message that we print on any bill where the consumption  
6 is two and a half times higher than the customer's  
7 normal consumption, and we direct them to our website  
8 where we post leak detection information as well as  
9 water conservation information.

10 Q. Do you have any statistics on how many of your  
11 customers are likely to use the Internet?

12 A. We don't have statistics on how many of our  
13 customers are likely to use the Internet, but we could  
14 pull statistics on how many times a customer or anyone  
15 went to that particular page of our website.

16 Q. Okay. In your deposition you asked -- or I  
17 asked you questions on your leak detection and pool  
18 credit policy, and is it correct that you testified the  
19 customers are made aware of these policies only when  
20 they talk with the call center, correct?

21 A. That is correct.

22 Q. And it is also correct that you testified in  
23 your deposition that these policies are not provided to  
24 customers through any sort of bill inserts?

25 A. I'm not aware that they are provided to the

1 customers through bill inserts.

2 Q. And is it also true that you testified that  
3 these policies are not provided on your website, either?

4 A. No, they are not provided on our website, leak  
5 adjustments or pool credits.

6 Q. Let me refer you back to Page 6, Lines 7 and 8  
7 of your testimony. You discuss your refinement of  
8 customer on-site meter and bench testing procedures.  
9 Isn't it true that you testified in your deposition that  
10 a part of this was buying your own meter reading  
11 equipment so that you can perform these procedures in  
12 front of customers, correct?

13 A. Yes. In the field we could do the meter  
14 testing instead of pulling the meter out and having it  
15 tested off-site. That was one of the improvements that  
16 we made.

17 Q. And you would agree that you stated at the  
18 deposition that not each field technician has this  
19 equipment?

20 A. No, not each field technician has the  
21 equipment, but we have four units, one for each region.

22 Q. Okay. Can you define what the region is?

23 A. Our operating regions. We have one in the  
24 north, one in central, so we have a testing unit for  
25 each of our operational regions.

1 Q. Okay. Well, let me ask you about Sunny Hills.  
2 If you know, do you know how Sunny Hills would have that  
3 equipment made available to them?

4 A. Well, their FSR within Sunny Hills would make  
5 arrangements to pick up the unit.

6 Q. From where?

7 A. Well, all of the FSRs within a particular  
8 region share the equipment. So before they go out to  
9 the property, they would make arrangements to pick up  
10 the meter testing unit.

11 Q. Where would the meter testing unit be located  
12 for them to pick it up from, if you know?

13 A. I do not know.

14 Q. Okay. And Greenacres service area, do you  
15 know who would provide that equipment for the Greenacres  
16 service area?

17 A. I do not know. The units are shared within  
18 the FSR technicians.

19 MS. CHRISTENSEN: I have no further questions.

20 CHAIRMAN GRAHAM: Ms. Bradley.

21 MS. BRADLEY: Thank you.

22 CROSS EXAMINATION

23 BY MS. BRADLEY:

24 Q. Ms. Chambers, is your customer service set up  
25 so that certain operators routinely take calls from

1 certain areas, or how is that set up?

2 A. Well, the calls come into our main customer  
3 service line in Bryn Mawr. There's 116 dedicated lines.  
4 And based on the 16-digit account number, the call would  
5 be routed to the appropriate center. We have three  
6 customer service centers. So for the Florida calls, the  
7 calls would automatically be routed to the Cary call  
8 center. If a CSR is not available in the Cary call  
9 center to answer that phone, then it would go into the  
10 queue for it to be answered in one of the other call  
11 centers. So the majority of the calls would be answered  
12 in Cary, but not all of the calls.

13 Q. The reason I'm asking, did you go to the  
14 service hearings?

15 A. I did not go to the service hearings.

16 Q. Have you had a chance to review them?

17 A. I have, yes.

18 Q. The reason I was asking about that is it seems  
19 like there were more complaints in some areas about  
20 customer service than in others. And since the service  
21 hearings, have you been able to isolate if it's a person  
22 just happens to get those calls from that area, or what  
23 the problem is with that?

24 A. No, I have not. But the majority of the  
25 Florida calls are answered by the Cary call center.



1 Q. Since the customer service hearings, have you  
2 had a chance to look into why certain areas had the most  
3 complaints about customer service?

4 A. No, I did not.

5 Q. Okay. I noticed, particularly in one area, we  
6 heard the expression that they testified that they were  
7 told they could go on a payment plan, but if they were a  
8 penny short, or a day late, or language kind of similar  
9 to that, you kept hearing the day late and a penny  
10 short, or terms several times during that hearing. Is  
11 that something that you would have put on a script or  
12 someone would have put on a script for them?

13 A. No, it's not. And when somebody defaults on a  
14 payment arrangement, it still goes through the normal  
15 delinquency process.

16 Q. And that doesn't go through the regular call  
17 center?

18 A. No. I'm sorry, I mean the customer being shut  
19 off. If you default on a payment plan, we don't  
20 immediately shut you off. You still go through the  
21 delinquency process, meaning that we would have to send  
22 you a shut-off notice call, because our delinquency  
23 process is that we send you a shut-off notice, we follow  
24 up with a phone call before we actually create a service  
25 order to go out and shut off the customer. We shut off

1 the customer as a last resort.

2 Q. Have you had a chance since the service  
3 hearings to look into who might have been telling people  
4 that they were going to be cut off if they were a penny  
5 short and a day late?

6 A. I can't imagine. I mean, that's not our  
7 policy.

8 Q. But you saw in the testimony hearings where  
9 several people said that, didn't you?

10 A. I did see it, yes.

11 Q. But you haven't looked in to see who it might  
12 have been?

13 A. No.

14 Q. Do you have a way to go back and listen to  
15 service calls? How long are those kept?

16 A. Yes, we keep them up to six months.

17 Q. Could you isolate from the testimony when this  
18 might have occurred and try to go back and see who might  
19 have told customers that?

20 A. I did review -- monitor some of the calls from  
21 the hearings, but I did not hear that verbiage in any of  
22 the calls that I monitored. I did go back and listen to  
23 some of the calls.

24 Q. Did you see in the testimony where several  
25 people complained that they felt the customer service

1 people had been very rude with them?

2 A. (Indicating affirmatively.)

3 Q. Is that something that since the hearing you  
4 have taken any action about to try to --

5 A. Well, actually, when we review our monitoring  
6 quality scores, our quality scores actually show an  
7 overall quality for all CSRs on average to be scoring a  
8 91. And our number one or highest score is actually  
9 empathy with the customer. So if you listen to our  
10 calls, they are not -- the CSRs are not rude.

11 Q. Have you listened to customer language or the  
12 way they were talking to customers to see why the  
13 customers might have felt they were being rude?

14 A. Well, again, our highest score, 98 percent of  
15 the calls that we monitored, that we evaluated shows  
16 that the CSRs were very empathetic to the customers.

17 Q. I understand. You said that the first time I  
18 asked, but what I'm trying to get at is have you gone  
19 back and listened to those calls to see what they are  
20 saying that the customer would have felt or perceived  
21 they were being rude about?

22 MR. MAY: I'm going to object. I think she  
23 said she went back and listened to some of the calls to  
24 verify whether the CSRs were rude.

25 MS. BRADLEY: And I asked if she had gone back

1 to see what that customer service agent would have said  
2 that that many customers would have said they felt that  
3 the customer service agent was being rude to them.

4 **CHAIRMAN GRAHAM:** I think it was asked and  
5 answered. She didn't listen to all the calls, but the  
6 ones she did listen to she didn't get that indication.

7 If I may, I have a quick question. When these  
8 calls come in, do they have to enter their billing  
9 number or their account number.

10 **THE WITNESS:** Yes.

11 **CHAIRMAN GRAHAM:** Can you sort the calls that  
12 are recorded based on that account number?

13 **THE WITNESS:** We can pull the calls by the  
14 actual date that they came in, so we can go to an  
15 account, see exactly -- actually, the date the customer  
16 called in. And then, yes, your answer is -- I'm sorry,  
17 yes, you can sort it by account number.

18 **CHAIRMAN GRAHAM:** So the people that came and  
19 testified before us specifically, and you know the  
20 person's name because they were sworn in, and you know  
21 what their account number is, you could go back and pull  
22 the specific calls?

23 **THE WITNESS:** Yes, we could, as long as it was  
24 within the six-month period.

25 **CHAIRMAN GRAHAM:** And have you done that

1 specifically?

2           **THE WITNESS:** We did -- we have pulled some  
3 calls, and I have reviewed some calls of people that  
4 came to the hearings, yes.

5           **CHAIRMAN GRAHAM:** And you have not heard the  
6 testimony as it came across as far as some of the things  
7 that were said to them?

8           **THE WITNESS:** As being rude, no.

9 **BY MS. BRADLEY:**

10           **Q.** What would you consider being rude?

11           **A.** What would I consider as being rude. Raising  
12 your voice, talking down to the customer, not being  
13 sympathetic.

14           **Q.** Did you see in the testimony that a few people  
15 testified that they were very frustrated because they  
16 got hung up on when they were trying to talk to people?

17           **A.** Yes, I saw that in the testimony.

18           **Q.** Have you looked into that?

19           **A.** We can detect if our CSRs hang up on a  
20 customer.

21           **Q.** And did you find any of that in the ones you  
22 went back and listened to?

23           **A.** I did not find that.

24           **Q.** Okay. Do you have any idea of what kind of  
25 sampling you did on that?

1           A.    On the -- I listened to, I think, I want to  
2 say about 20 calls.

3           Q.    And what areas were those from?

4           A.    A large portion of them were from Arredondo  
5 Farms.

6           Q.    And did you listen to Greenacres or Lakeland?

7           A.    I'm not sure.

8           Q.    Did you keep any records of what you listened  
9 to?

10          A.    Yes, I did.

11          Q.    So are you coming back to testify later?

12          A.    I am.

13          Q.    If I asked you that, could you tell me at that  
14 time?

15          A.    I will.

16          Q.    All right. I appreciate it.

17                **MS. BRADLEY:** I don't have any further  
18 questions.

19                **CHAIRMAN GRAHAM:** Thank you.

20                **YES.**

21                                **CROSS EXAMINATION**

22           **BY MR. McBRIDE:**

23           Q.    Good evening.

24                        You testified that you have live in the state  
25 of Pennsylvania?

1           A.    I do.

2           Q.    And you work in the state of Pennsylvania?

3           A.    I do.

4           Q.    So you are not a customer of Aqua Utilities  
5 Florida?

6           A.    I'm not a customer of Aqua Utilities Florida,  
7 but I am a customer of Aqua Pennsylvania.

8           Q.    Have you ever visited Arredondo Farms?

9           A.    I have not.

10          Q.    Have you ever spoken with customers at  
11 Arredondo Farms other than YES Communities?

12          A.    I have not spoken to customers of Arredondo  
13 Farms other than YES Communities, but I am on the YES  
14 Communities Task Force.

15          Q.    You testified that you did not attend any of  
16 the customer service hearings, including the Gainesville  
17 customer service hearing, is that correct?

18          A.    That is correct, but I have read the hearings,  
19 the transcript of the hearings.

20          Q.    And why did you not attend?

21          A.    I did not attend because the AUF management  
22 staff attended those hearings.

23          Q.    You just stated that you did read the  
24 transcripts of the hearings, including the Gainesville  
25 hearing, I presume?

1           A.    Yes.

2           Q.    How would you describe those customers'  
3 testimony from the Gainesville hearing?

4           A.    I would say that they were upset.

5           Q.    Do you agree that customers of AUF residing at  
6 Arredondo Farms are in a good position to evaluate the  
7 quality of service provided by AUF?

8           A.    Can you repeat the question?

9           Q.    Yes.  Do you believe that customers of AUF are  
10 in a good position to evaluate the quality of service  
11 provided by AUF?

12          A.    Are they in a good position?

13          Q.    Yes.

14          A.    Well, I think that Arredondo Farms has a  
15 uniqueness to it which makes it very difficult on AUF.  
16 It's an area that has a high volume of move-in and  
17 move-outs, and it takes us a long time to actually find  
18 out and figure out sometimes who the customer is of  
19 record.

20          Q.    Actually, if I can interrupt you.

21          A.    Okay.

22          Q.    Pursuant to the prehearing order, I would just  
23 ask for a yes or no answer to the yes or no question  
24 before you provide an explanation.

25          A.    Okay.



1 Q. So is it yes or no?

2 A. Can you --

3 Q. I'd be happy to.

4 Customers of AUF residing at Arredondo Farms  
5 are in a good position to evaluate the quality of  
6 service provided by AUF to Arredondo Farms?

7 A. I don't understand what it means to be in a  
8 good position. I don't know how I can answer that  
9 question yes or no, if I can't clarify.

10 Q. I'll move on.

11 A. Okay.

12 Q. I want to ask you about the task force that  
13 you mentioned. When was that task force formed?

14 A. Well, I believe the first meeting was in  
15 August.

16 Q. That was after YES Communities intervened in  
17 this case?

18 A. I'm not sure when they intervened in the case.

19 Q. Okay. Is it Aqua's position that the  
20 testimony taken at the Gainesville hearing was  
21 insincere?

22 A. Was insincere?

23 Q. Yes.

24 A. No.

25 Q. Are you aware that a deposition was taken in

1 this action of an AUF employee, Steven Grisham, who  
2 works as a technician at Arredondo Farms?

3 A. I know that there was a deposition, yes.

4 Q. Are you aware that in that deposition  
5 Mr. Grisham testified that in speaking to his boss,  
6 Mr. Paul Thompson, that Mr. Thompson stated to Mr.  
7 Grisham that he believed that customer testimony was  
8 rehearsed? Do you agree with Mr. Thompson?

9 MR. MAY: I think she first needs to be asked  
10 whether she is aware that that was said.

11 MR. McBRIDE: I have a copy of the transcript  
12 I'd be happy to provide to her.

13 MR. MAY: Well, I think you're assuming that  
14 she has read the transcript. Maybe you should ask her.

15 MR. CURTIN: If I can approach the witness?

16 CHAIRMAN GRAHAM: Please.

17 MR. McBRIDE: Here you go, ma'am.

18 THE WITNESS: Thank you.

19 BY MR. McBRIDE:

20 Q. Have you read the transcript, Ms. Chambers?

21 A. No, I have not read this transcript.

22 Q. If you would kindly turn to Page 88 starting  
23 on Line 16. And I read from the transcript beginning on  
24 Line 16.

25 "Question: That they were being insincere in

1 any way?

2 "Answer: They may have said it sounded  
3 rehearsed."

4 Question on Line 18, "Who told you that?"

5 And then it actually continues onto Page 89  
6 beginning on Line 16. "What is his name?"

7 Answer, Line 17, "Paul Thompson."

8 Do you agree with Mr. Thompson's testimony --  
9 or, excuse me, Mr. Grisham's testimony about what Mr.  
10 Thompson has stated to him that the testimony at the  
11 Gainesville hearing was rehearsed?

12 A. Well, I wasn't at the Gainesville hearing, so  
13 I don't know how I could give that input.

14 Q. You read the transcripts?

15 A. Yes, I did.

16 Q. From your reading of the transcript, is it  
17 rehearsed? Does it appear to you to be rehearsed?

18 A. I don't know if I can answer that question,  
19 based on reading of a transcript.

20 Q. If the answer is no, that's okay.

21 **CHAIRMAN GRAHAM:** I think the answer is no.

22 **THE WITNESS:** I guess that's no.

23 **MR. McBRIDE:** I will move on. Thank you.

24 **BY MR. McBRIDE:**

25 Q. Beginning on Page 4 of your Direct Testimony,

1 Lines 29 (sic) through 23, you state that AUF has a  
2 strong commitment to customer service. You go on to  
3 state AUF continues to listen attentively to the  
4 concerns of its customers. You do not believe that AUF  
5 customer service representatives are rude?

6 A. No, I don't. Based on the quality scores and  
7 the monitoring of calls that I have done, I do not.

8 Q. Do you disagree, then, with the testimony of  
9 Aqua customer Michael Burke who resides at Lot 131 in  
10 Arredondo Farms who testified at the Gainesville  
11 hearing, "I have never, ever in my life encountered  
12 people as rude as AquaSource has working for them, and  
13 the only thing I can surmise from that is that they are  
14 doing it just to make you mad enough to get off the  
15 phone and they don't have to deal with your problem." I  
16 would be happy to provide a transcript of the  
17 Gainesville hearing.

18 A. No, I read the Gainesville hearing transcript,  
19 but I didn't listen to that call, so --

20 Q. Was he being insincere in that testimony?

21 A. I don't know. I couldn't tell you that unless  
22 I listened to his call, then I could tell you yes or no  
23 whether the CSR was rude or not. All I can testify is  
24 to the calls that I personally listened to.

25 Q. Why didn't you listen to his call?

1           A.    Why didn't I?

2           Q.    Yes.

3           A.    I don't know.

4           Q.    You didn't file rebuttal testimony as to Mr.  
5 Burke, did you?

6           A.    No.

7           Q.    Do you have any reason to believe the quality  
8 of service provided by -- excuse me, the quality of  
9 customer service, specifically customer service  
10 representatives is worse than what is provided by other  
11 major businesses?

12          A.    Can you repeat the question?

13          Q.    Yes. Do you have any reason to believe that  
14 the quality of customer service, and specifically the  
15 quality of service provided by customer service  
16 representatives is worse than other major businesses,  
17 say, businesses in the computer industry or businesses  
18 in the cable industry?

19          A.    No, I do not.

20          Q.    Do you disagree, then, with the testimony of  
21 Aqua customer Mitchell Young residing at Lot 2417 at  
22 Arredondo Farms who also testified at the Gainesville  
23 hearing saying, "I have worked customer service for both  
24 DirectTV and Dell Computers, and if I talked to the  
25 customers the way we get talked to when we call in, I

1 would have been fired on the spot." You must disagree  
2 with his testimony, then?

3 A. Yes.

4 Q. But you didn't file rebuttal testimony as to  
5 Mr. Young?

6 A. I'm sorry, can you repeat that?

7 Q. Did you or did you not file rebuttal testimony  
8 as to Mr. Young?

9 MR. JAEGER: Chairman, if he's going into  
10 rebuttal or supplemental -- actually, I think that's  
11 supplemental rebuttal, we're not there yet. I'm not  
12 sure.

13 MR. McBRIDE: Yes. It's not my intention to  
14 go into either rebuttal or supplemental, so subject to  
15 check you did not, but I can move on.

16 BY MR. McBRIDE:

17 Q. How does AUF view the customers residing at  
18 Arredondo Farms?

19 A. We believe that there is a uniqueness to the  
20 customers in Arredondo Farms, because of the large or  
21 the high volume of turnover. And it is difficult for  
22 the utility to find out who the customer of record is.  
23 And due to that high turnover, it's very difficult for  
24 us to avoid issuing long bills. So if a customer moves  
25 out of the property and doesn't alert us, and a new

1 customer moves in and doesn't alert us, then that first  
2 bill is going to be a long bill.

3 Q. Let me ask it --

4 A. And then it will make it more difficult for  
5 the customer to pay that long bill. And it was through  
6 the task force that we were able to adjust that --

7 Q. If I can cut you off, please, and just proceed  
8 with my next question. Thank you.

9 CHAIRMAN GRAHAM: The way the rules are you  
10 can answer yes or no and then give a brief explanation.  
11 It's well within his right if you start editorializing  
12 to cut it off.

13 THE WITNESS: Okay.

14 BY MR. McBRIDE:

15 Q. Do you agree or disagree with the testimony of  
16 your employee, Steve Grisham, when he stated that  
17 Arredondo is full of crackheads and drug people? And  
18 that is on Page 19 of the deposition transcript.

19 A. I disagree.

20 Q. Is it appropriate for an AUF employee to be  
21 using those sorts of the terms to refer to AUF  
22 customers?

23 A. No, it is not appropriate.

24 Q. Is this the sort of attitude that AUF would  
25 want its employees to exhibit towards its customers?

1           A.    No, it is not.

2           Q.    If I could direct you to Page 8 to 9 of your  
3 Direct Testimony, please. This testimony beginning on  
4 Line 17 of Page 8 and continuing to Line 11 of Page 9  
5 refers to Aqua's water termination policies. And you  
6 testified, if I can summarize, that they are more  
7 consumer friendly than what the rules require.

8           A.    Yes, they are.

9           Q.    Okay. In your deposition I asked you whether  
10 this was consistent with a written policy of AUF, and  
11 you answered yes, is that correct?

12          A.    Yes.

13          Q.    And you provided a late-filed exhibit, Exhibit  
14 14, which was titled, "Florida Delinquency Process  
15 Summary," this was actually handed out by staff. It's  
16 the last page on Exhibit 302, which is now in evidence.  
17 Do you have a copy of that in front of you?

18          A.    Yes, I do.

19          Q.    Ms. Chambers, where did this document come  
20 from?

21          A.    Where did this document come from? It is  
22 the -- it came from our collections department.

23          Q.    This document was e-mailed to me on Wednesday  
24 afternoon as a Word document.

25          A.    Uh-huh.



1 Q. Did you draft the Word document?

2 A. No, I did not. That document was drafted from  
3 our delinquency rules right out of our CIS system.

4 Q. I checked the properties on the document in  
5 Microsoft Word, and it stated it had been created that  
6 afternoon. Is that your understanding, as well, that it  
7 was created the day it was sent?

8 A. Well, I wanted to give you the rules right out  
9 of the CIS system, and they actually -- somebody  
10 actually felt it was better to give you a Word document  
11 than the actual screen print right out of the CIS  
12 system. So, yes, it is a Word document, but it is  
13 clearly the delinquency rules.

14 MR. MAY: We will be glad to provide a screen  
15 print, Mr. McBride, if you would like one.

16 MR. McBRIDE: I would. Thank you.

17 BY MR. McBRIDE:

18 Q. But this originates from the computer system?

19 A. Yes. Those delinquency rules are right from  
20 the computer system and -- down to the dollar amounts.

21 Q. You stated in your deposition they also  
22 originated from the tariff, is that correct?

23 A. Yes. The tariff drives the penalty, the  
24 penalties that we apply on the customer's bill.

25 Q. Is the tariff -- has it ever been filed in

1 this case, to your knowledge?

2 A. Has --

3 Q. Has the tariff been filed in this rate case,  
4 to your knowledge?

5 MR. MAY: I think the tariff is on file with  
6 the Florida Public Service Commission.

7 MR. McBRIDE: But in the docket on this rate  
8 case?

9 BY MR. McBRIDE:

10 Q. Is it your testimony that all of the specific  
11 provisions listed on this Florida Delinquency Process  
12 Summary are contained verbatim in the tariff?

13 A. I don't know. I know that the penalties that  
14 we apply to the customer's accounts are included in our  
15 tariff.

16 Q. What do you mean by the penalties you apply to  
17 the customer's accounts?

18 A. Well, the first step of the delinquency  
19 process is you apply a late penalty after six days after  
20 the due date. So that is included in our tariff, the  
21 fact that we are allowed to assess a late penalty  
22 charge.

23 Q. How about the statement in your testimony that  
24 you will not issue a water termination unless the  
25 balance is over \$100, is that contained in the tariff?

1           A.    That is not contained in the tariff.

2           Q.    So there is no requirement that AUF do so?

3           A.    No.  In fact, the Commission rules that you  
4 can shut off somebody's service if they owe any dollar  
5 amount.  We, in AUF, choose to make it more customer  
6 friendly so we don't shut off for anything less than  
7 \$100 on the water accounts and \$110 if it is a  
8 combination water and sewer account.

9           Q.    But AUF would be free to change its policy  
10 starting tomorrow if it wished?

11          A.    They would be able to change their policy  
12 regarding a dollar amount, yes.  The threshold, yes.

13          Q.    So to summarize, this benefit, as it may be  
14 described, of not turning off water unless the balance  
15 is over \$100 is not certain to continue into the future?

16          A.    Well, I really can't answer that question.

17          Q.    How about the statement on Lines 1 and 2 of  
18 Page 9 that AUF also attempts to call the customer prior  
19 to discontinuing service, which is not required by the  
20 Commission rules.  Are you aware whether that is  
21 mandated by the tariff?

22          A.    I'm not aware that that is mandated by the  
23 tariff.  That is our internal policy that we do -- we  
24 handle for all states.  We attempt to call the customer  
25 prior to shut off.

1 Q. But if it were not mandated by the tariff, you  
2 would be free to change that policy unilaterally?

3 A. We would be free to, but I don't see why we  
4 would do it. That's our normal standard policy. We  
5 find it very effective to call that customer prior to  
6 shutting off.

7 Q. Let me move on. Similarly, you state in your  
8 testimony on Lines 22 and 23 of Page 8 that under the  
9 rules you must only provide five days, but you provide  
10 ten days.

11 A. That is correct.

12 Q. Are you aware whether your --

13 A. Well, can I backup? It's not ten days, it's  
14 10 to 14 days. Because if the shut off falls on a  
15 Friday, we do not shut the customer's service off. So  
16 we would shut it off on the next business day, which  
17 would be Monday.

18 Q. But, again, you're not bound by that?

19 A. Again, it is our internal processes that we  
20 follow. It's our standards.

21 Q. Are you aware of how many customers testified  
22 at the Gainesville hearing on September 12th?

23 A. I read the transcripts.

24 Q. Subject to check, I read through it a little  
25 while ago and counted 40 names that testified at this

1 hearing, three of which were from YES Communities, who  
2 is also a customer of AUF. But are you aware of how  
3 many customers testified at the customer service hearing  
4 during the last rate case in 2008?

5 A. At the nine customer meetings?

6 Q. At the Gainesville hearing from the last rate  
7 case in 2008. Do you have a copy of Order Number 090385  
8 that was previously handed out by one of the other  
9 parties to this case? I don't recall who. But if you  
10 turn to Page 16, it references the customers in  
11 attendance and the customers who spoke.

12 A. What was the order number? I'm not sure I  
13 have that.

14 Q. 090385 issued May 29th, 2009.

15 MR. McBRIDE: I have an extra copy.

16 CHAIRMAN GRAHAM: Is it necessary just to get  
17 to the point you are trying to get to?

18 MR. McBRIDE: No.

19 CHAIRMAN GRAHAM: It says nine customers  
20 spoke.

21 MR. McBRIDE: It says nine customers spoke.

22 BY MR. McBRIDE:

23 Q. Would you agree that if nine customers spoke  
24 at the customer service hearing in Gainesville in 2008,  
25 and 40 customers spoke at the customer service hearing

1 in 2011, that that would belie your argument that  
2 customer service has improved in Gainesville provided by  
3 AUF?

4 A. I can't come to that conclusion.

5 MR. McBRIDE: No further questions.

6 CHAIRMAN GRAHAM: Mr. Richards.

7 MR. RICHARDS: I have no questions.

8 CHAIRMAN GRAHAM: Staff.

9 MR. JAEGER: Just a very few, Chairman.

10 I think we have already discussed Exhibit  
11 Number 302 that was passed out. I'm going to be passing  
12 out Exhibit 189. While I pass out Exhibit 189, that's  
13 from the Comprehensive Exhibit List, could you review  
14 the 14 exhibits attached to the 302? I want to make  
15 sure that we got the latest ones in there. That's the  
16 Late-filed Exhibits 1 through 14 proffered by staff. It  
17 should be all white, no yellow sheet attached to it, and  
18 it's thicker.

19 CROSS EXAMINATION

20 BY MR. JAEGER:

21 Q. Have you completed your review?

22 A. Yes.

23 Q. And do those appear to be the exhibits that  
24 you gave to staff?

25 A. Yes.

1 Q. Thank you. Also, we have just handed out  
2 Exhibit Number 189, and that is Aqua Utilities'  
3 responses to Staff's Fifth Request for Production of  
4 Documents. That is a Comprehensive Exhibit, and I have  
5 just a few questions on that.

6 Did you assist in these Documents 17 through  
7 22, providing these documents?

8 A. Yes.

9 Q. I'd like to note that POD Number 17 did not --  
10 we could not find any electronic file of that, but,  
11 basically -- anyhow, POD 17 does not appear to be there,  
12 but most of that POD 17 was included in an exhibit to  
13 your rebuttal testimony, so we don't need to get 17.

14 But what we would like to do is would it be  
15 possible for you to provide the remaining call center  
16 monitoring statistics reports from May 2010 through  
17 October 2011 as a late-filed exhibit?

18 A. Yes.

19 MR. JAEGER: I think that would be 303, a  
20 late-filed exhibit for the May 2010 through October 2011  
21 Call Center Monitoring Statistics.

22 (Late-filed Exhibit Number 303 marked for  
23 identification.)

24 BY MR. JAEGER:

25 Q. Turn to that POD Number 18 attached to the 189

1 exhibit, if you would?

2 A. Okay.

3 Q. We note that there are several months missing  
4 from this electronic file. Would it be possible for you  
5 to provide as a late-filed exhibit the management  
6 quality performance reports for the following months, in  
7 2010 we need September and October, and in 2011 we need  
8 January, February, June, July, August, September and  
9 October?

10 A. For the complaint?

11 Q. It's the management quality performance  
12 reports.

13 A. Oh, okay. Yes, we can do that.

14 Q. Somehow some documents, some months just got  
15 left out.

16 A. Okay.

17 MR. JAEGER: And that would be a late-filed  
18 exhibit. We would like to have that identified as 304.

19 (Late-filed Exhibit Number 304 marked for  
20 identification.)

21 CHAIRMAN GRAHAM: Which one is that, I'm  
22 sorry?

23 MR. JAEGER: Okay. It's 304, a late-filed  
24 exhibit, and it's the Management Quality Performance  
25 Reports for the months September and October of 2010,



1 and then January and February of 2011, and then June  
2 through October of 2011.

3 **CHAIRMAN GRAHAM:** I don't know if I have that  
4 in front of me.

5 **MR. JAEGER:** The Quality Performance Report  
6 was provided and it's POD 18, which is a part of that  
7 189. And what we got -- we start out with May, and we  
8 got the June, and then July and August, but then we  
9 didn't have September and October. So we are missing  
10 two months in October -- I mean two months in 2010,  
11 Quality Performance Reports. We would like to get those  
12 two months. And then in 2011, we were missing the ones  
13 that I stated, January and February, and then June  
14 through October. So we are just wanting to get the  
15 complete Quality Performance Reports from May 2010  
16 through October 2011.

17 **CHAIRMAN GRAHAM:** So this is just a  
18 placeholder?

19 **MR. JAEGER:** Yes, sir. They are a late-filed  
20 exhibits. The one before and this one, we did not get.

21 **CHAIRMAN GRAHAM:** Okay. All right. I've got  
22 to back up because I have got to ask staff a question.  
23 This sheet that was just passed out that says Exhibit  
24 189 at the top, is this Exhibit 189?

25 **MR. JAEGER:** Yes, that is Exhibit 189. That

1 is a Comprehensive Exhibit that was not stipulated to by  
2 the parties. That came in so late that they just did  
3 not have time to review it.

4 **CHAIRMAN GRAHAM:** Okay. Please go ahead.

5 **MS. CHRISTENSEN:** Can I interject a concern  
6 here? I have a concern with late-filed exhibits,  
7 especially when they get produced after the hearing that  
8 we be given our opportunity to review them and note any  
9 objection for the record. Now, I know Ms. Chambers is  
10 scheduled to come back up to the stand for rebuttal  
11 testimony, and I was wondering if since we have a few  
12 days in between then and now, if the company could  
13 endeavor to produce these missing reports prior to then,  
14 and then we might be able to have an opportunity to look  
15 at them, review them, and object during her rebuttal  
16 testimony. And it would save us the headache of having  
17 to deal with late-filed exhibits and not making an  
18 objection for them coming into the record without seeing  
19 them.

20 **CHAIRMAN GRAHAM:** I think that's fair, if the  
21 company can produce it before the end of the technical  
22 hearing. And if not, then you just have to cover it in  
23 your briefs at the end.

24 Mr. May.

25 **MR. MAY:** That's very fair, and I understand

1 counsel's concern. We're looking into it, and I think  
2 there was an electronic transmission issue. A couple of  
3 things dropped out. We will try to get that, if we can,  
4 tomorrow or the next day. We will certainly get it  
5 before the end of the technical hearings.

6 **CHAIRMAN GRAHAM:** Okay. Mr. Jaeger.

7 **MR. JAEGER:** Okay. I'm just making sure I've  
8 got my notes here.

9 **BY MR. JAEGER:**

10 Q. Turning to POD 19. It's a part of 189.

11 A. Yes.

12 Q. Okay. And looking at the row for  
13 September 2011, and it shows a total calls of 5,811,  
14 which was sort of a peak, and that of those calls, 1,172  
15 customers spoke to a customer service rep, which is also  
16 significantly higher than most, except for the November  
17 of 2010. Is that correct? September, the next to the  
18 also row at the bottom shows 5,811 quality performance  
19 report calls, and a customer contact report, 1,172. And  
20 is that significantly higher than almost every other  
21 month?

22 A. That is.

23 Q. Can you tell us what triggered the higher  
24 number of customer contacts during September of 2011?

25 A. No, I cannot.

1           Q.    So without reviewing every one of those calls  
2 you don't know why it would have peaked in that month?

3           MR. MAY:  Mr. Jaeger, I'm lost on the --

4           MR. JAEGER:  This is POD 19.

5           MR. MAY:  Okay.

6           MR. JAEGER:  And you are looking at -- it  
7 starts out May 2010, the two columns are quality  
8 performance report and customer contacts report.  And if  
9 you go down you get to January 2011, and then the next  
10 to the last row is September, which is 2011, and it  
11 shows 5,811 quality performance reports, and 1,172  
12 contact reports.  And I'm just trying to figure out what  
13 happened in September to make that month sort of stand  
14 out.

15           THE WITNESS:  Well, I know in September it was  
16 Hurricane Irene, and it had affected some of the other  
17 areas, but without taking a further -- you know, without  
18 looking further, I really can't comment.

19           BY MR. JAEGER:

20           Q.    Okay.  If you will turn to POD 20, and that  
21 has to do with the Florida score card reports for  
22 January 2011 through October 2011.

23           A.    Yes.

24           Q.    It notes at the bottom of the page that well  
25 accounts are AUF company accounts.  Just help us

1 understand the chart better. Can you tell us why a  
2 company account would be reported as an unbilled account  
3 in certain months?

4 A. Yes. If we don't get a read on a well  
5 account, the account doesn't get estimated. So it's an  
6 account that we are tracking the consumption on, but not  
7 necessarily issuing a bill. But it's still incorporated  
8 in our unbilled report.

9 Q. Okay.

10 A. So it is an internal account that we read and  
11 we calculate the consumption on, but we don't  
12 necessarily issue a bill. But it still appears in the  
13 report if we don't get a read and we don't issue a zero  
14 dollar bill.

15 Q. Thank you. Turn to the POD 21, and that is  
16 the estimated read report from May 2010 through  
17 October 2011. And it appears that the estimated read  
18 rate during 2011 has remained between 0.2 and 0.3, is  
19 that correct?

20 A. That is correct.

21 Q. I believe these columns are sort of messed up.  
22 Okay. And going to the last POD 22, and that's the CSR  
23 call quality scores for January 2008 through  
24 October 2011.

25 A. That is correct.

1           Q.    Is it correct that most Florida calls are  
2 handled by two teams at the Cary, North Carolina call  
3 center designated as South CS and South COLL, is that  
4 correct?

5           A.    That is correct.

6           Q.    And can you just tell me a little about what  
7 these two teams are?

8           A.    Well, we used to distinguish between the  
9 collection team and the customer service team. And the  
10 collection team would only be dedicated to taking  
11 collection calls, but now we have trained all CSRs to  
12 handle all types of calls. So even though it's  
13 distinguished as two separate types, they are actually  
14 all handling all types of calls now.

15           **MR. JAEGER:** That's all the questions staff  
16 has.

17           **CHAIRMAN GRAHAM:** Thank you, Mr. Jaeger.

18           Ms. Chambers, I have a couple of questions for  
19 you. The first question, if we had somebody that came  
20 before us and testified in Gainesville, let's just say  
21 Customer Smith, and he said that he spoke to somebody  
22 that was rude, and it was in the last three months, and  
23 it was three times in the last three months. Would you  
24 be able to pull Mr. Smith's recorded -- Mr. Smith's  
25 recording talking to the customer service person?

1                   **THE WITNESS:** Yes, we should be able to pull it.  
2 There are some circumstances where if we listen in on  
3 the call at the same time that we might not be able  
4 to -- we might not get the recording, but on most calls  
5 we would be able to pull the recording.

6                   **CHAIRMAN GRAHAM:** If I had asked you to pull  
7 Mr. Smith's three recordings in the three months, in 90  
8 days, could you pull that for me?

9                   **THE WITNESS:** Yes.

10                  **CHAIRMAN GRAHAM:** Have you been asked by any  
11 of the intervenors to pull any of those calls that we  
12 have heard testimony about?

13                  **THE WITNESS:** No, I have not.

14                  **CHAIRMAN GRAHAM:** Okay.

15                  A question I have, one of the intervenors  
16 brought up the last rate hearing, which I think was '08,  
17 and specifically he was talking about Gainesville where  
18 it says there were 11 people that showed up and nine  
19 people spoke. I'm assuming that all the people that  
20 spoke, spoke negatively. I will just that assumption  
21 out there. So that is roughly about 81 percent of the  
22 people that showed up complained. I had staff pull in  
23 2011 that just happened, there was 51 people that showed  
24 up and 40 people that spoke, which is just slightly  
25 lower than 80 percent. So does that show that you guys

1 are doing better, or worse, or does that say anything to  
2 you?

3 **THE WITNESS:** It says that we are doing  
4 better.

5 **CHAIRMAN GRAHAM:** Why so?

6 **THE WITNESS:** Because the lower percentage of  
7 the customers.

8 **CHAIRMAN GRAHAM:** Okay. That's all the  
9 questions I have.

10 **THE WITNESS:** Overall customers.

11 **CHAIRMAN GRAHAM:** Commissioner Brown.

12 **COMMISSIONER BROWN:** Thank you.

13 Are the costs associated with coaching the  
14 CSRs who are classified, I guess, as rude as you earlier  
15 indicated, to customers included in O&M costs or  
16 elsewhere, the coaching?

17 **THE WITNESS:** The coaching, it's in our  
18 salaries. I guess it's in operational --

19 **COMMISSIONER BROWN:** O&M?

20 **THE WITNESS:** Yes. Sorry.

21 **COMMISSIONER BROWN:** Is the company aware of  
22 any technical or flawed meter issues in Florida?

23 **THE WITNESS:** No.

24 **COMMISSIONER BROWN:** Okay. With regard to the  
25 back billing issue and the exhibits that are presented



1 were offered by Aqua, do you happen to have an average  
2 number of the months back billed for the test year?

3 **THE WITNESS:** I do not, but we probably could  
4 calculate it. I could get it to you.

5 **COMMISSIONER BROWN:** I would be interested in  
6 having that maybe on rebuttal.

7 **THE WITNESS:** Okay.

8 **COMMISSIONER BROWN:** Thank you. That's all.

9 **CHAIRMAN GRAHAM:** Commissioner Balbis.

10 **COMMISSIONER BALBIS:** Thank you, Mr. Chairman.  
11 I only had two questions, and the first one you had  
12 already asked. I'm glad you did that. And I, too, was  
13 surprised that one response to the customers that  
14 indicated they had rude customer service wasn't provided  
15 in SC-1 where other responses to customer complaints  
16 were made. And I'm surprised that any of the  
17 intervenors did not ask for that or it wasn't provided  
18 into the record.

19 But the question I have for you is concerning  
20 billing periods.

21 **THE WITNESS:** Uh-huh.

22 **COMMISSIONER BALBIS:** Are there any instances  
23 where a greater than 30-day billing period is included  
24 in the bill?

25 **THE WITNESS:** Yes. Our days of service that

1 we calculate bills for a monthly period is between 26  
2 and 35 days.

3 **COMMISSIONER BALBIS:** And does that vary per  
4 customer? So, in other words, their October bill may be  
5 26 days and their September bill before that was --

6 **THE WITNESS:** Yes. So we consider a monthly  
7 bill any bill between 26 and 35 days of service.

8 **COMMISSIONER BALBIS:** So you have a --

9 **THE WITNESS:** A monthly period, I'm sorry.

10 **COMMISSIONER BALBIS:** Okay. So you have a  
11 nine-day spread there could be, right?

12 **THE WITNESS:** Yes.

13 **COMMISSIONER BALBIS:** Do you make any  
14 considerations as to -- since you have a declining rate  
15 block structure for consumption, that if on one bill  
16 they are at 26 days, which puts them under the rate  
17 block, and then the next month it's at 35 and it kicks  
18 them into the other rate block?

19 **THE WITNESS:** No, we don't, because we define  
20 a monthly billing period between 26 and 35 days.

21 **COMMISSIONER BALBIS:** Okay. Thank you.

22 **CHAIRMAN GRAHAM:** Ms. Chambers -- I'm sorry,  
23 Commissioner Brisé.

24 **COMMISSIONER BRISÉ:** Thank you, Mr. Chairman.  
25 I have a couple of questions.

1           Looking at Exhibit SC-5, which looks at your  
2 root cause, primary root cause.

3           **THE WITNESS:** Yes. These are customer  
4 complaints.

5           **COMMISSIONER BRISÉ:** Right. And I'm  
6 interested to how the scores are determined. So it says  
7 primary root cause, so if a customer calls for a billing  
8 dispute, and that is their primary reason for calling,  
9 but then the customer then talks about poor service  
10 quality, or water quality, would the water quality go  
11 down as one of the issues that is looked at, or is the  
12 issue that is scored or taken into account or recorded  
13 at that time only the billing dispute?

14           **THE WITNESS:** Well, let me just clarify. This  
15 particular chart is based on the complaints that  
16 actually went to the Commission, and then our compliance  
17 department actually reviews the complaints and then  
18 determines what the root cause was, and they are the  
19 ones that actually score the cause. So it's actually  
20 the cause of the complaint. And I believe you can only  
21 have one cause, so they would have to figure out what  
22 the root cause that caused the complaint in the first  
23 place. You couldn't have multiple root causes.

24           **COMMISSIONER BRISÉ:** Okay. So you are saying  
25 that these are the complaints that come into the

1 Commission, and then from the Commission, the Commission  
2 relays that to you --

3 **THE WITNESS:** Yes.

4 **COMMISSIONER BRISÉ:** -- and then there is a  
5 determination as to which --

6 **THE WITNESS:** Yes, what was the strongest root  
7 cause that caused the complaint in the first place. So  
8 you can only have one.

9 **COMMISSIONER BRISÉ:** Okay. So then that  
10 nullifies the next question I was going to pose.

11 Thank you very much.

12 **CHAIRMAN GRAHAM:** Ms. Chambers, Ms.  
13 Christensen asked a very good question, I thought. I  
14 want to drill down a little further on this. As we  
15 traveled the state and went to the different service  
16 hearings, there were some areas where you didn't hear  
17 people complain about customer service, or if they did  
18 it was very few. And there were some places you went  
19 where it seemed like almost everybody was complaining  
20 about customer service.

21 If someone were to call in the big areas,  
22 let's just say the panhandle and central Florida. If  
23 somebody calls from the panhandle, does that get  
24 directed specifically to Operator Number 5, or does it  
25 go to Operators 1 through 5?

1           **THE WITNESS:** No. It goes into the queue in  
2 the Cary call center, and any CSR, whether it's a  
3 collection CSR or a customer service CSR, has the  
4 ability to answer that call. So it is whoever is  
5 available. If there is no one available in the southern  
6 call center, then it will go to the next available  
7 representative in any of the other two call centers.

8           **CHAIRMAN GRAHAM:** And that is for the entire  
9 State of Florida?

10          **THE WITNESS:** That is the for the entire  
11 state.

12          **CHAIRMAN GRAHAM:** Just because it is in the  
13 panhandle, it doesn't go anywhere else?

14          **THE WITNESS:** Yes.

15          **CHAIRMAN GRAHAM:** Well, then I'm going to ask  
16 you a question, and I guess you can just kind of give me  
17 your hypothesis, if you have one or not. Why is it that  
18 some areas are like that, some areas are irate and some  
19 are just -- you know, some are happy with the customer  
20 service?

21                 You don't have to answer. I don't know, and I  
22 don't know if maybe you have drawn some conclusion or  
23 not.

24          **THE WITNESS:** I don't know.

25          **CHAIRMAN GRAHAM:** Commissioner Brisé.

1                   **COMMISSIONER BRISÉ:** Thank you. And you went  
2 down a line that I think is very important.

3                   Your IVR, when the customer calls in and they  
4 interact with that initial IVR, will that IVR identify  
5 the customer by the number they are calling? So,  
6 therefore, there is sort of information that is tracked  
7 already, so it predetermines where the call should go,  
8 whether it should go to the collection service section  
9 or if it should go to the regular customer service. So  
10 then that may also play a role in how the customer  
11 interacts with whoever is on the other line, based upon  
12 what the predisposed thought might be based upon what  
13 the need is going to be for that particular call?

14                   So if you can describe the IVR process for me,  
15 that may help me determine a little bit.

16                   **THE WITNESS:** Well, if they are calling about  
17 a collection activity, then it's going to go to a  
18 collection service order. I mean, a collection CSR. So  
19 if they are calling about they received a shut off  
20 notice, and they are calling to make payment  
21 arrangements, that's going to go to a collection CSR.  
22 If -- again, we now train our CSRs to handle both types  
23 of calls, so we have CSRs that are handling both  
24 customer service related calls as well as collection  
25 calls.

1                   **COMMISSIONER BRISÉ:** Is that determined by the  
2 CSR when they actually talk to the individual, or is  
3 that determined or prerouted?

4                   **THE WITNESS:** It is prerouted.

5                   **COMMISSIONER BRISÉ:** Okay. So I think that  
6 that makes a huge distinction in how the customer  
7 service person interacts with the individual, and that  
8 may play a role in the discussion with the customer as  
9 they interact with the customer based upon how the call  
10 is routed.

11                   **THE WITNESS:** Right. But we do quality  
12 monitoring on all types of calls, and they are all  
13 scored based on those quality scoring. So whether it's  
14 a collection call or a customer service call, it's still  
15 scored on those 40 points of soft skills and 60 points  
16 of how the call was handled.

17                   **COMMISSIONER BRISÉ:** All right. Thank you.

18                   **CHAIRMAN GRAHAM:** I have to ask another  
19 question, because the telecom language is a bit above  
20 me. So if I were to call and I put in my phone number  
21 or my account number, regardless if I said I want to  
22 speak to somebody about, I don't know, adding a second  
23 service, it's automatically going to send me to  
24 collection if I'm already in collections?

25                   **THE WITNESS:** No, it's going to send you to

1 customer service.

2 CHAIRMAN GRAHAM: Okay. That's what I didn't  
3 understand.

4 THE WITNESS: And the calls get routed -- I  
5 didn't clarify this, but the calls get routed by the  
6 16-digit account number, not the phone number.

7 CHAIRMAN GRAHAM: Okay. Mr. May, redirect.

8 REDIRECT EXAMINATION

9 BY MR. MAY:

10 Q. How are you doing, Ms. Chambers?

11 A. Okay.

12 Q. The first time to -- I'm not sure I will get  
13 back down here. But, seriously, I have two questions.  
14 Just quick follow-ups.

15 You had a series of conversations with Ms.  
16 Christensen regarding, I think, leak adjustments?

17 A. Yes.

18 Q. I wanted to follow up a little bit on that.  
19 Are leak adjustments required by any Florida Public  
20 Service Commission rule?

21 A. No, they are not.

22 Q. Are pool credit adjustments required by any  
23 PSC rule?

24 A. No, they are not.

25 Q. And are these credits or adjustments provided



1 as benefits to customers?

2 A. Yes, they are.

3 Q. Are your CSRs trained to advise customers who  
4 call, to discuss with them leak adjustments?

5 A. Yes, they are.

6 Q. And how do you train them?

7 A. It's part of our call center standards that we  
8 train them. So we have -- in Florida, we have a state  
9 tipsheet or fact sheet, and it lists pool credits, the  
10 availability of pool credits, and the availability of  
11 leak adjustment credits.

12 Q. So those policies are written policies that  
13 your CSRs have?

14 A. Yes, they do.

15 Q. Have you got your calculator with you?

16 A. Yes, I do.

17 Q. You're going to kill me about this, but I'm  
18 going to -- Ms. Christensen was throwing around some  
19 numbers regarding Jasmine Lakes, and I'm not the best  
20 mathematician in the world, but I can add, and I can  
21 divide. And I wanted to walk you through a little bit  
22 of some numbers that she was throwing around I'm not  
23 sure I understood. Do you recall the discussion about  
24 back billing in the Jasmine Lakes area?

25 A. Yes. It was due to a computer glitch when we

1 stopped billing the streetlights.

2 Q. And Ms. Christensen said there were  
3 approximately 76 back bills in 2010?

4 A. Yes, 76 out of -- was it 1,400 customers?

5 Q. I think she said 1,600 customers.

6 A. Okay.

7 Q. So if you had 1,600 customers and each  
8 customer receives a monthly bill over a year, how many  
9 bills would be issued for the Jasmine Lakes  
10 neighborhood?

11 A. 1,600 customers?

12 Q. Times 12 months would render what?

13 A. 19,200.

14 Q. And if 76 was your denominator and 19,200 --  
15 excuse me. If 19,200 was your denominator and 76 was  
16 your numerator, what would be the percentage of back  
17 bills?

18 A. Well, it's less than -- it's less than -- it's  
19 .003.

20 Q. So Ms. Christensen was throwing around a  
21 4.8 percent, right?

22 A. Right.

23 Q. So what is the actually percentage of back  
24 bills for that neighborhood over that year?

25 A. Well, in my calculations it wouldn't even be

1 -- it is not even .01 percent.

2 MR. MAY: Thank you, ma'am. That's all the  
3 questions I had.

4 CHAIRMAN GRAHAM: Exhibits.

5 MR. JAEGER: Chairman, I'll start. Staff  
6 would move the 302 and the 189, and I think we are just  
7 going to hold on 303 and 304. Those were the  
8 late-filed. They might get those before the end of the  
9 hearing.

10 CHAIRMAN GRAHAM: That's 302 and 189 entered  
11 in for staff.

12 (Exhibit Number 189 and 302 admitted into the  
13 record.)

14 CHAIRMAN GRAHAM: Mr. May.

15 MR. MAY: Aqua would move Exhibits SC-1  
16 through SC-5.

17 CHAIRMAN GRAHAM: What's that for exhibit  
18 numbers?

19 MR. JAEGER: 63 through 67.

20 MR. MAY: I apologize.

21 CHAIRMAN GRAHAM: Exhibit 63, 64, 65, 66, and  
22 67, move those into the record.

23 (Exhibit Numbers 63 through 67 admitted into  
24 the record.)

25 CHAIRMAN GRAHAM: Ms. Christensen.

1           **MS. CHRISTENSEN:** Office of Public Counsel  
2 would move in 298, 299, 300, and 301.

3           **CHAIRMAN GRAHAM:** Okay. Whose exhibit was  
4 297? That's Late-filed Exhibit 1 through 8.

5           (Exhibits 298 through 301 admitted into the  
6 record.)

7           **MR. JAEGER:** That was Luitweiler's, and it was  
8 moved in under Luitweiler's testimony.

9           **CHAIRMAN GRAHAM:** We did that last time.  
10 Okay. All right. Any other exhibits that need to be  
11 moved in?

12           We're getting ready to recess for the day.  
13 Any questions on what is going to happen tomorrow or the  
14 rest of this week?

15           **MR. CURTIN:** Just briefly, Mr. Chairman.  
16 Myself and Mr. May, and I talked to staff and OPC, just  
17 to put it on the record for YES's Witnesses Jeremy Gray,  
18 Mallory Starling, and Mike Green, we have come to an  
19 agreement that their testimony could just come in, their  
20 exhibits can come in, and they can be excused from  
21 testifying. I believe their exhibits are already in and  
22 their testimony is already in, because all they did was  
23 reincorporate their testimony at the Gainesville  
24 hearing. So there's no exhibits to be put in, no  
25 testimony to be put in. But I just wanted to put it on

1 the record that they will not be here to actually  
2 testify, Mr. Gray, Ms. Starling, and Mr. Green. So the  
3 only two witnesses YES will have will be Mr. Harpin and  
4 Ms. Kurz, depending on her mother's situation.

5 **CHAIRMAN GRAHAM:** Okay. Any other questions  
6 or anything before we adjourn for the day?

7 **MR. JAEGER:** Nothing from staff, Chairman.

8 **MR. MAY:** One thing, Mr. Chair. On some of  
9 the DEP witnesses, is there going to be a time certain  
10 for them?

11 **MR. JAEGER:** We have one at 9:30 and one at  
12 10:45 tomorrow. I mean, he will be here at 10:45, and  
13 we will just work him in as convenient to the process.  
14 But we believe that Ms. Carrico will be here at 9:30.

15 **MR. MAY:** So is the Chair's preference to take  
16 those witnesses first?

17 **CHAIRMAN GRAHAM:** If we were scheduled to take  
18 them at a time certain, especially the beginning of the  
19 meeting, we will go ahead and take those first. If we  
20 have somebody that's currently on the stand, we are not  
21 going to stop somebody's testimony to weave them in, but  
22 we will do what we can to accommodate a sister agency.

23 **MR. MAY:** Thank you, sir.

24 **CHAIRMAN GRAHAM:** I thank you all for playing  
25 nice today. And we've got two more days of this this

1 week, and I think two more days next week. That being  
2 said, please travel home safe, and I will see y'all  
3 tomorrow.

4 **MR. MAY:** Thank you.

5 **CHAIRMAN GRAHAM:** We're adjourned.

6 (The hearing adjourned at 6:45 p.m.)

7 (Transcript continues in sequence with  
8 Volume 3.)

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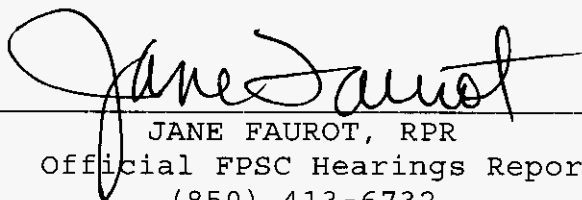
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I, JANE FAUROT, RPR, Chief, Hearing Reporter Services Section, FPSC Division of Commission Clerk, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 8th day of December, 2011.

  
\_\_\_\_\_  
JANE FAUROT, RPR  
Official FPSC Hearings Reporter  
(850) 413-6732